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ITAR-TASS Carries Press Review for 6 Mar

LD0603090393 Moscow ITAR-TASS in English 0847 GMT 6 Mar 93

["Press Review"—ITAR-TASS headline; all quotation marks as received]

[Text] Moscow March 6 TASS—Russian newspapers highlight today the work of the 6th session of the Russian parliament which "is to undo a knot of problems connected with the confrontation between the legislative and the executive powers." SOVETSKAYA ROSSIYA reports that there are three items on the parliament's agenda: the date of convocation of an extraordinary Congress of Russian People's Deputies, a draft agreement between federal bodies of the executive and legislative powers on the stabilisation of the constitutional system and questions which will be put to the referendum scheduled on April 11.

ROSSISKAYA GAZETA, a newspaper of the Russian parliament, reports that the parliament has adopted a resolution to convene the 8th extraordinary Congress of Russian People's Deputies in Moscow on March 10. The newspaper points out that heated debates around the issue are going on in parliament.

KOMSOMOLSKAYA PRAVDA writes that this "shows that Ruslan Khasbulatov is losing his command of the parliament step by step and that the balance of forces is shifting in the confrontation between Yeltsin and Khasbulatov."

The newspaper writes that the alliance of communists with national patriots is gathering momentum and at present is keeping under its control around 50 per cent of votes in parliament."

"It's easy to predict that it will be the very bloc that will attempt to control the situation at the Congress and achieve the fulfilment of its plan to hold the pre-term elections of the president and the Russian parliament speaker as early as in autumn, 1993.

KRASNAYA ZVEZDA writes that heated debates are going on around a draft agreement between federal bodies of the legislative and the executive powers on the stabilisation of the constitutional system until a new Russian constitution is adopted, which was suggested by President Boris Yeltsin.

The newspaper writes "that the character of the discussion developed in such a way that the split between the two branches of power was increasing before one's very eyes. Categorical demands were voiced not to discuss any agreements with the president since under such conditions any compromise is allegedly anti- constitutional."

PRAVDA published a brief report about the convocation of the Congress of Russian People's Deputies.

ROSSISKAYA GAZETA carries an article by Russian politologist Boris Pugachov who analyses the causes of the crisis of the "policy and philosophy of liberalism" reflected in the course of President Yeltsin.

"Recently, a number of liberal politicians have abandoned Yeltsin's entourage for a number of reasons, including G. Arbatov, O. Bogomolov, G. Burbulis, G. Starovoitova, V. Tishkov, F. Shelov-Kovedyaev, Y. Yakovlev. Their departure is a sign of the crisis in the policy and philosophy of liberalism," Pugachov said. "The liberal course embodied in the policy conducted by Burbulis-Yeltsin posed mortal danger to communism and finally brought about its collapse," Pugachov said.

"But the philosophy of liberalism destroying communism turned out today to be destructive for Russia itself. Therefore Burbulis was to step down and did so as a personal embodiment of the policy of liberalism," Pugachov said.

Vyacheslav Kostikov, press secretary of the Russian president, told a correspondent of ROSSIYSKIE VESTI that a session of the Russian government held on Friday [5 March] was devoted to the problem of interaction between the president and the government. "It was declared that the government would strictly and resolutely support the course of the president at the congress. The government is unanimous in its support of the president," the report said.

The newspaper carries an interview with Russian Defence Minister Pavel Grachev who emphasised that "the leadership of the armed forces would not allow a split in the army and servicemen's participation in political games... The army's activities, rights and duties of servicemen must and would be regulated by law and the constitution only," the defence minister said.

All newspapers carry reports devoted to the International Women's Day marked on March 8. (In Russia this is a nationwide holiday and a non-working day - comment by ITAR-TASS).

The newspaper of Russian trade unions, TRUD, carries an interview with Alevtina Fedulova, chairman of the Russian Union of Women, in which she comments on various problems faced by women in Russia. The Union of Russian Women is an independent organisation, subsidized neither by the government, nor parties and which exists on voluntary contributions and its own economic activities, Fedulova said.

Shokhin Warns U.S. May Lose Portion of Grain Market

OW0503171193 Moscow INTERFAX in English 1652 GMT 5 Mar 93

[Following item transmitted via KYODO]

[Text] If the United States and Russia fail to come to terms on the resumption of U.S. grain supplies to Russia, the American exporters "may lose a considerable part of Russia's grain market," Vice-Premier Aleksandr Shokhin said in Moscow on Friday [5 March].

He said "we cannot stop importing grain from the United States altogether, however, the greater the delays in negotiations between Russia and the United States, the bigger the amount of grain we will have to buy from other suppliers." Vice-Premier said that France, the EEC countries and, probably, Australia, were likely options.

The United States early this year stopped supplying Russia with grain on credits extended last year under government guarantees due to delayed payments by Russia. Russia's current debt totals 383 million dollars.

The Russian Federation was going to import 16-18 million tons of grain between the crop of 1992 and 1993. According to Russian government's expectations the U.S. share in Russia's grain import was to range 10.5-12 million tons. However, already now Russia has concluded an agreement with France and the European Community on the import of 5 million tons of grain on credit. He also said negotiations were underway with Australia about the likely purchase of another 2 million tons of grain in case of delays in negotiations with the United States.

Commentary Views Clinton's Decision To Meet Yeltsin

LD0603222593 Moscow Radio Moscow World Service in English 2110 GMT 6 Mar 93

[Valentin Zorin commentary]

[Text] The new Soviet-American summit has been set for 4th April. So why has President Clinton decided to meet President Yeltsin so soon after taking office?

During the election campaign he said on more than one occasion his priority would be domestic problems. Just the other day, however, Secretary of State Warren Christopher said President Clinton intended to play an active role with respect to a Russia where tremendous changes were taking place, and consequently it was natural he would want to meet President Yeltsin as soon as possible and give him the utmost support.

This attitude is much appreciated by the president's associates, being seen as a gesture of goodwill, the more so as it comes at a time when a bitter struggle is going on between supporters of reform and a new foreign policy and groups that would like to return to the old way of life. The next few weeks may prove decisive, hence the value of the position taken by the Clinton administration.

It stands to reason that Washington supports President Yeltsin's policy of reforms, not for altruistic reasons or personal sympathies, but having in mind American interest as the White House perceives them today. President Clinton said as much recently when he recalled that the United States had spent more than a trillion dollars on containing the Soviet Union, hence, as he explained, it would be stupid and near-sighted not to spend much less to promote democracy. That was in the interest of the American people. So, in giving priority to an American-Soviet summit, President Clinton is keeping in mind domestic matters as well. Strictly speaking, maintaining the policy of recent years in relations between America and Russia is an imperative for both countries. Both stand to benefit.

Russian Planes May Start Bosnian Aid Relief 12-14 Mar

OW0503170393 Moscow INTERFAX in English 1651 GMT 5 Mar 93

[Following item transmitted via KYODO]

[Text] Russian planes may start dropping relief supplies over Bosnia-Hercegovina on March 12-14, the State Committee for Emergencies has told IF [INTERFAX]. A senior committee official said that at the recent negotiations with US delegates Moscow expressed the readiness to hold the first round of the Russian relief operation between March 12 and 28. That period was "split" into two rather tentative "sub-stages." First, Russian planes will deliver about 30 tons of Russian relief supplies and after that, foreign aid (including supplies sent by the United Nations) to Bosnia.

The Emergency Committee says two ILYUSHIN 76 transport planes may take on board a supply of Russian relief supplies in Moscow and fly over to Frankfurt-am-Main or some other city to join forces with the Americans. However, according to the Emergency Committee official, the American delegation said it was not empowered to reply to Moscow's proposals. Moscow expects an answer from Washington Friday night.

Moscow Blames Kiev for 'No Progress' in Nuclear Talks

OW0503153393 Moscow INTERFAX in English 1521 GMT 5 Mar 93

[Following item transmitted via KYODO]

[Text] No progress was made during the Russian-Ukrainian talks on March 2 and 3 on ways of ensuring the security of strategic offensive weapons, temporarily located in Ukraine, and on the implementation of the START-I treaty, says the Russian Foreign Ministry's press-release summing up the results of the talks.

The press-release also says that the talks were a failure because Kiev lays claims on the nuclear warheads and refuses to create conditions for Russian experts to provide for security of the nuclear warheads at an adequate level.

The Russian delegation proposed specific measures of ensuring the security of the strategic offensive weapons, temporarily stationed in Ukraine. They suggested, among other things, that before August 1, 1993, all target designation programs be removed from the nuclear delivery capabilities; that before August 1, 1994, the inter-continental ballistic warheads and their guidance systems be moved to the centralized pre-plant facilities for their subsequent disassembly and that before August 1, 1993, the long-range cruise missiles for heavy bombers be transferred into a lower state of combat alert and moved to Russia for subsequent disassembly.

The Russian Foreign Ministry's press release goes on to state that despite its earlier-assumed commitments, the Ukrainian delegation did not suggest any specific ideas on the Memorandum on Understanding to the Russian side. Meanwhile, this is the key document for Ukraine with regard to the implementation of the main provision of the START-I Treaty and Lisbon agreements. Moreover, the Ukrainian delegation refused to discuss this issue during the talks, says the document.

Prior to the Moscow round of talks, the Russian delegation gave Ukraine materials on the utilization of nuclear warheads, and the draft agreement on the issue. "The delegations finalized the draft agreement with due account taken of the practical aspects of the utilization of fissile nuclear materials in the Ukrainian economy," says the Russian Foreign Ministry's press-release.

The two parties also coordinated the draft agreement on supervision over strategic missile complexes, located on their territories. This draft agreement is to be signed by the two countries' prime ministers.

The next round of talks is likely to be held in Kiev.

$3.5 Billion Maximum Offered for Foreign Debt Repayment

LD0503174593 Moscow ITAR-TASS in English 1704 GMT 5 Mar 93

[By ITAR-TASS correspondent Sergey Podyapolskiy]

[Text] Moscow March 5 TASS—Russia has offered its creditors to find a joint decision on restructuring foreign debt of the former Soviet Union to enable it pay no more than 3.5 billion U.S. dollars in 1993, Russian Vice-Premier Aleksandr Shokhin told a news conference here today.

In his words, the acceptable level of foreign debt servicing in 1993 was previously estimated at 2.5 billion dollars. However, after negotiations of German Federal Chancellor Helmut Kohl and Russian President Boris Yeltsin late last year, the Russian side, showing flexibility and goodwill, positively estimated the chancellor-proposed scheme aimed at 3.5 billion dollars in preliminary estimations.

A more detailed estimation of the scheme showed it suggests 5.1 billion dollar payments.

In this connection Russia, in Shokhin's words, insists on the elaboration of such agreements with creditors, which would take into account current Russian difficulties and ensure minimum but stable payment to the creditors.

The signing of an agreement on deliberately unacceptable conditions will lead to its violation and complicate the attraction of new credits.

Another alternative is reorientation of oil and gas delivery to Western markets with hard currency payments. However, this forced step will have grave consequences for Commonwealth states and the international climate in the region, stressed Shokhin.

Gaydar Urges West To Provide Privatization Aid

LD0503143893 Moscow Russian Television Network in Russian 1100 GMT 5 Mar 93

[From the "Vesti" newscast]

[Text] Former Russian Prime Minister Gaydar has urged the West to provide aid to Russia, especially as regards the privatization of industry. Gaydar is currently one of President Yeltsin's advisers. Speaking at an economic forum in Washington, he urged the International Monetary Fund and the World Bank to provide Russia with the means to stabilize the economy and promote the implementation of concrete programs, including conversion. According to Gaydar, a struggle is raging around the reforms between those attached to the past and the supporters of radical change.

He announced that, from 15 March onward, 250 major state enterprises would be privatized in Russia.

Yeltsin Meets Finland's Leader, Views Security Role in CIS

LD0503161293 Moscow ITAR-TASS in English 1550 GMT 5 Mar 93

[By ITAR-TASS correspondent]

[Text] Moscow March 5 TASS—"Russia would like to be a guarantor of security on the territory of the former USSR," President Yeltsin said during his Thursday [4 March] meeting with Finnish President Mauno Koivisto. He specially stressed that such guarantees could cover only the countries that wanted to benefit by them. He recalled how armed conflicts were settled in the Dniester area of Moldova and in the Northern Caucasus.

This topic had evoked particular attention among politicians and the press last week. It was prompted by Yeltsin's statement last Sunday to the forum of the "Civic Union", in which he noted that "Russia is vitally interested in stopping all the armed conflicts on the territory of the former union". He said that "the world community is becoming increasingly aware of our country's responsibility in this far from easy business. I think the time has come when authoritative international organisations, including the United Nations, should vest Russia with special powers as guarantor of peace and stability in this region."

The statement has triggered a controversial reaction. The very next day, the Ukrainian Foreign Ministry addressed a message to the U.N. secretary-general, outlining its attitude to Yeltsin's pronouncement. It noted that nobody in Ukraine had authorised the Russian president to address such a request to the United Nations. "The implementation of such an idea would be, in fact, tantamount to a gross violation of the existing international legal norms, including the principles of the U.N. Charter and the principal documents of the CSCE. This would inevitably lead to interferences in domestic affairs and, consequently, would pose a threat to the sovereignty and territorial integrity of Ukraine," the document notes.

"If such a statement was really made, I think it was accidental," head of the Georgian Parliament Eduard Shevardnadze said, formulating his first reaction to the pronouncement.

"If all the agreements, signed within the CIS, were observed, there would been no reason to ask for special powers and to appeal to the United Nations," Kazakh State Counsellor Tulegin Zhukeyev believes. "Of course, life confronts us with some tragic facts," he added. "It is not ruled out that strong-arm measures will be really needed in some conflicts, but such decisions must be taken on a collective basis, in accordance with the legal foundation which, as a matter of fact, has been created to a large extent by corresponding CIS documents."

"Speaking in Bishkek half a year ago, Kazakh President Nursultan Nazarbayev had moved to set up an interstate court," Zhukeyev stated. "Such a body could assume the task of preventing conflicts on the territory of the former USSR. If we had such an institution, we could shape a model regional body to prevent and settle conflicts by peaceful means. This would rid everybody of the need to assume any special unilateral powers," he believes.

"The president has once more mentioned in his statement a question that was repeatedly raised by Russian diplomacy," a representative of the Russian Foreign Ministry explained, touching on the different interpretations of the passage from Yeltsin's statement. "The Russian Federation has assumed the burden of peacemaking in some areas of the former union. This was always done at the request or with the consent of this or that republic concerned. But it has to bear practically all the expenses involved. Since the United Nations is involved in the settlement of other conflicts, it is necessary to share the burden, primarily its material cost, on the territory of the former USSR, too. We believe that this form of support including financial backing from the United Nations, will not jeopardise the sovereignty of our CIS partners, but will, on the contrary, allow them, as members of the United Nations, to rely more confidently on the U.N. potential to maintain international peace."

There are now thirteen thousand Russian peace-keeping troops deployed in the "hot spots" of the former USSR.

Chernomyrdin, Finland's Koivisto View Economic Relations

LD0503145393 Moscow ITAR-TASS in English 1406 GMT 5 Mar 93

[By ITAR-TASS correspondent Sergey Podyapolskiy]

[Text] Moscow March 5 TASS—Chairman of the Russian Council of Ministers Viktor Chernomyrdin met visiting Finnish President Mauno Koivisto here today.

Koivisto, who is paying an official visit to Russia, met President Yeltsin for talks in the Kremlin and was then flown in a helicopter to the president's retreat in Zavidovo north of Moscow.

Today's conversation with the Russian prime minister, according to informed sources, focused on economic relations between the two countries, which are seeking to restore their trade and economic relations to a level they have sank from in the wake of the breakup of the Soviet Union.

Koivisto Views Visit

PM0503113593 Moscow PRAVDA in Russian 4 Mar 93 p 1

[Interview with Finnish President M. Koivisto by Aleksey Boldinyuk in Helsinki on 3 March: "We Would Like To Have Dealings With a Wealthy Russia"]

[Text] [Boldinyuk] Mr. President, on the eve of your visit to Moscow, how would you describe the present state of political and economic relations between Finland and Russia?

[Koivisto] Political relations between Russia and Finland can be described as good. President B. Yeltsin's visit to Finland in July 1992 provided an opportunity to strengthen good personal relations, and we in Finland value this highly. Simultaneously, basic agreements regulating relations between our countries were set in motion. In this way, the preconditions were created for their further multilateral development. I hope that my present visit to Moscow will strengthen this positive development which has started off so well.

In the trade sphere, relations between our countries have weakened over the past few years. For Finland, trade with Russia means a perceptible negative balance.

Finland is not Russia's only trade partner that has recently been experiencing difficulties. Russia is transferring its previous plan-centralized economy onto a market basis in extremely difficult conditions. Furthermore, Russia has been forced to shoulder the burden of the Soviet Union's old debts. This is having an impact on Russian foreign trade.

We in Finland would like to have dealings with a wealthy, prosperous Russia. We find ourselves next to a gigantic market which must be revived. What is needed now is confidence in the future, intense work, and patience.

[Boldinyuk] Which of the changes taking place in Russia generate a feeling of optimism in you, and what could serve as a reason for alarm?

[Koivisto] The present international economic situation has forced many countries to review their line in economic policy. Russia has started a process of the radical reconstruction of society, which is aimed at the creation of a market economy in a state operating on a democratic basis. All the indications are that adherence to this policy has received support from the broad strata of society. A great deal of hard work must be done to reach the set aims.

[Boldinyuk] Which unsolved problems, primarily in the trade and economic sphere, require immeidate discussion, in your opinion?

[Koivisto] The main stumbling block in trade between our countries today is created by problems of financing. We traditionally supply our eastern neighbor with investment goods. In past decades, these goods—machinery and equipment—made up three-fourths of our export to Russia.

In order to purchase investment goods, Russia needed credits, both from Finland, and from other countries. Because of deficiencies in our guarantee system, in the past few years it was not possible for Finland to grant such credits. Furthermore, the situation concerning the debts owed to Finland since the time of the Soviet Union has still not been cleared up.

Unfortunately, the export of investment goods has practically stopped now, since it is not possible to organize crediting. But we in Finland could offer many competitive goods.

[Boldinyuk] Finnish entrepreneurs are often reproached for being hesitant on the new Russian market. Do you think that Finland is making full use of its very rich experience and potential in order to reach a new qualitative level in economic cooperation between our countries?

[Koivisto] We do not consider ourselves to be passive or hesitant in the new, changed situation. In accordance with the requirements of this situation, our companies' activity is dispersed over the whole of Russia. New firms are taking part in the development of Russian-Finnish trade, particularly in the border areas. On the initiative of the Finns, all kinds of measures have recently been carried out in Russia with the aim of helping to develop trade. Hundreds of firms have taken part in them, and this kind of work is being carried out on a regular basis.

[Boldinyuk] What, in your view, could the Russian authorities do to achieve an improvement in our trade and economic cooperation as a whole?

[Koivisto] I would once again mention the problem of financing trade. Support for investments in Russia is also important. The creation of conditions favorable to investments includes a whole range of issues relating to the development of the infrastructure, such as taxation, licenses for entrepreneurial activity, and also support for investors in the legislative sphere.

Kozyrev Dissatisfied With Russian-Finnish Cooperation

LD0503150993 Moscow ITAR-TASS in English 1446 GMT 5 Mar 93

[By ITAR-TASS correspondent Georgiy Shmelev]

[Text] Moscow March 5 TASS—Russian Foreign Minister Andrey Kozyrev said he is not satisfied with the level of cooperation between Russia and Finland.

Speaking at a meeting with the heads of the regions bordering on Finland at the Russian Foreign Ministry on Friday, Kozyrev said he felt "certain dissatisfaction" with the fact that "despite good words said about the need for cooperation between the countries of the region, a programme of activities, a meeting of the Council (of the Baltic Sea States) senior officials and a 15-page communique on the council activities—all this has a very general form."

"I would like the council to raise two or three concrete questions which could give powerful impetus to our work," Kozyrev said.

The meeting was attended by Karelia's Parliamentary Chairman Viktor Blinnikov and Prime Minister Sergey Stepanov, head of the administration of the Murmansk Region Yevgeniy Komarov, head of the administration of the Leningrad Region Aleksandr Belyakov and St. Petersburg Mayor Anatoliy Sobchak.

Government Grants Tajikistan Loan, Humanitarian Aid

LD0503132493 Moscow Radio Moscow World Service in English 1200 GMT 5 Mar 93

[Text] Russia, despite its difficult economic situation, will help Tajikistan eliminate the aftermath of the civil war. A loan of R80 billion is being granted to it in the first quarter of the year and R40 billion will given to pay out wages. Besides Tajikistan will be supplied with two-and-a-half million tons of oil products. Lately the anti-government armed troops in Tajikistan were crushed as a result of the decisive actions taken by the new government and hostilities have ended.

Cash Offered to Azerbaijan To Help Pay Salaries, Debts

LD0603103393 Moscow Radio Moscow World Service in English 0800 GMT 6 Mar 93

[Text] Russia has offered 6.5 billion rubles in cash for the National Bank of Azerbaijan to pay delayed salaries and other debts. Russia renders financial aid to Azerbaijan in compliance with the intergovernment agreement signed in Baku recently.

Foreign Ministry Denies Pressure on Baku To Join CIS

OW0503125493 Moscow INTERFAX in English 1139 GMT 5 Mar 93

[Following item transmitted via KYODO]

[Text] President Elcibey's assertion that Russia is trying to compel Azerbaijan to join the CIS "does not correspond to reality and can only arouse puzzlement." Russia's Foreign Ministry made such a statement on Friday, following a Popular Front conference in Baku last week.

In his words, the Russian leadership has repeatedly emphasized that "the question of Azerbaijan's entry or non-entry in the CIS is a purely internal affair of this sovereign state with no effect at all on relations with Russia." "Our line remains unchanged"—the statement stresses.

Russia To Close Borders With Baltics

WS0803120493 Tallinn BNS in English 1629 GMT 5 Mar 93

[Text] Moscow, 5 March 1993, BNS—Russia will close its borders with the Baltics after its border guards leave Estonia, Latvia and Lithuania, said Colonel-General Vladimir Shlyakhin, the commander of the Russian border forces.

Russia will build all the necessary installations and establish regulations for border crossing, he said. But the general did not rule out the possibility that some checkpoints could be operated jointly to reduce the number of officials needed.

At the moment, Russia has 767 border guards in the three Baltic countries.

Yeltsin Sends Message to UN Secretary General

LD0603075093 Moscow ITAR-TASS in English 0656 GMT 6 Mar 93

[By ITAR-TASS correspondent Yevgeniy Menkes]

[Text] United Nations March 6 TASS—Russian Deputy Foreign Minister S. lavrov has conveyed a message from Russian President Boris Yeltsin to the U.N. secretary general at a meeting with Butrus Butrus-Ghali on Friday.

The message is a continuation of a dialogue between the Russian president and the U.N. secretary general on practically all issues of strengthening the U.N. peacekeeping potential, expanding cooperation between Russia and the United Nations in various spheres, including interaction in the settlement of conflicts on the territory of the former Soviet Union.

Butrus-Ghali expressed his satisfaction with a bill submitted to the Russian parliament by Boris Yeltsin on issues of Russia's participation in peace-keeping operations conducted in the framework of the U.N., CSCE and the CIS.

Butrus-Ghali welcomed the information about Russia's repaying it debt to the United Nations which is being implemented in strict compliance with the schedule announced by Yeltsin during his meeting with Butrus-Ghali in Moscow last September.

Yeltsin's Upcoming Meetings With EC, G-7 Previewed

MK0503100693 Moscow KURANTY in Russian 4 Mar 93 p 3

[Mikhail Shchipanov article: "Playing Several Political Games At Once"]

[Text] As Minister Kozyrev has announced, in the summer Boris Yeltsin may be invited to take part in a session of EC heads of state and government in Denmark. A lucky coincidence: The Russian president has actually been invited by the Danish Government to mark the 500th anniversary of friendly relations between Denmark and Russia, but coincidentally the EC leaders are also planning to meet there. We have only to thank Tsar Ivan III for his historical foresight; the first Russian tsar really arranged everything cleverly. Seriously, however, this summer Yeltsin will apparently have to play two simultaneous games: with the EC and with the G-7. Four members of the European Community are also members of the closed club of the seven leading industrial powers, but a meeting with the EC leaders has a special flavor.

Recently a lot has been said about Russia's radical turn toward the East; in the Kremlin, it is said, disenchanted with the scale of actual support from the democratic countries, the wind from the East is obviously outblowing the wind from the West. Therefore our president's rendezvous with the entire European beau monde will help put the right accents in our foreign policy orientation and strengthen Russia's positions as a Eurasian power, facing both East and West.

So far Russia is hardly ready to assume the functions of a natural bridge between Europe and Asia, but the likelihood that in Denmark a trade agreement with the European Community will be discussed nonetheless reflects the new realities of Moscow's postcommunist policy. Russia is no longer hoping for massive aid and is concentrating its attention on two areas crucial to its financial condition: working out a formula on rescheduling the former Soviet debt and ensuring access for its competitive goods to world markets, primarily Western markets. Today this is seen in Moscow as a realistic option for supporting Russian reforms. In this respect greater hopes are being pinned on the Europeans.

Meanwhile President Clinton has again spoken convincingly in favor of the speediest support for Russian democracy. The President spoke emotionally, although again, following the tradition of his predecessor, he linked the possible provision of aid to the progress of reforms and the process of disarmament. Experience, however, shows that such reservations give amazing freedom for maneuver against the eventuality of having to quietly revise hasty promises. So far the United States has promised Russia, together with its CIS brothers and sisters, a whole... $47 million. So, as we might say, if you cannot give us money, give us freedom to trade.

Rutskoy, Singapore's Premier Discuss Economic Relations

LD0703172893 Moscow ITAR-TASS in English 1618 GMT 7 Mar 93

[By ITAR-TASS correspondent Aleksandr Bokhonko]

[Txt] Singapore March 7 TASS—Visiting Vice President of Russia Aleksandr Rutskoy on Sunday [7 March] held talks with Singaporean Prime Minister Goh Chok Tong. The two men discussed ways to develop economic relations between the two countries. Rutskoy declared that Russia as a Eurasian power plans to be a full-fledged participator in the processes of regional integration in Asia. In this context Russia attaches great significance to relations with Singapore as the most advanced ASEAN nation, an internationally recognised centre of advanced technologies, finances, services and business partnership.

Besides, Russia would like to draw on Singapore's expertise in establishing its own market mechanisms, considering the well- functioning system of social protection of the population of this country.

For his part, the Singaporean prime minister noted that there are great possibilities for using the potential of the Russian military- industrial complex, particularly, in such fields as aircraft building, shipbuilding, telecommunications and high-precision machine building.

Speaking at a dinner for the Russian guest, Goh Chok Tong expressed the hope that transition to market relations in Russia would be smooth and successful. Russia needs peace and stability in order to attract foreign investments needed to revitalise the Russian economy, he said.

Rutskoy conveyed to the Singaporean prime minister an invitation to pay an official visit to Russia which was accepted with gratitude. The date of the visit will be announced later.

Moscow, Bulgaria Fail To Sign Trade Protocol

OW0503182793 Moscow INTERFAX in English 1653 GMT 5 Mar 93

[Following item transmitted via KYODO]

[Text] The Bulgarian Vice Premier and Trade Minister Valentin Karabashev declared on Friday [5 March] in Moscow that a protocol on trade for 1993 between Russia and Bulgaria will not be signed in the near future as there is no decision on mutual accounts.

In Karabashev's words, the Bulgarian party is ready to pay for Russian oil, gas, and coal in hard currency under provision that Russia's exporters will spend it for the procurement of Bulgarian goods.

Russia's first deputy Foreign Economic Relations Minister Oleg Davydov pointed out that such a method is unreal under present market relations. The Russian exporters of oil, gas, and coal, Davydov says, "can find a market for this deficit goods without any provisions how to spend the currency earned." In addition, Davydov believes, several kinds of goods needed to Russia have a higher price in Bulgaria than in other countries.

He stressed that Russia can buy goods of Bulgaria's traditional export, including preserves, medicines, tobacco products, but proposes that Bulgaria should procure machinery equipment along with raw materials and encourage Russian investments into the construction of industrial sites in Bulgaria.

Karabashev is staying in Moscow as a guest of the Russian government. He is due to fly to Sofia on March 7.

Official Comments on Demarcation Talks With PRC

PM0503114193 Moscow KRASNAYA ZVEZDA in Russian 4 Mar 93 p 3

[Interview with Yu.A. Arkharov, deputy chairman of Russian delegation on joint Russian-Chinese Demarcation Commission, by Valeriy Usoltsev under "Events and Commentaries" rubric; in Khabarovsk, date not given: "Demarcation of Russian-Chinese Border Has Begun"—first two paragraphs are introduction]

[Text] Khabarovsk—A conference was held in Khabarovsk 1-3 March with the persons directly involved in the demarcation of the Russian-Chinese border—military topographers, border guard officers, representatives of the Far East Military District, and deputy heads of the administrations of Khabarovsk Kray, the Amur and Jewish Autonomous Oblasts, and border rayons.

Why was such a conference necessary? KRASNAYA ZVEZDA's correspondent put this question to Yuriy Arkharov, deputy chairman of the Russian delegation on the joint Russian-Chinese Demarcation Commission and an employee of the Russian Federation Ministry of Foreign Affairs, who participated in the measure.

"Because of the start of the demarcation of the state border with China," Yuriy Aleksandrovich replied.

[Usoltsev] Is there really not a clear-cut demarcation between the neighboring countries at present?

[Arkharov] The need to define the border with China is connected with a whole number of circumstances. The overwhelming majority of the old treaties between our countries, concluded during the period between 1689 and 1911, were more than 100 years old and, from a contemporary viewpoint, suffered from inaccuracies which were increasingly making themselves felt. For example, islands in the Amur and the Ussuri did not have state ownership.

[Usoltsev] Does this mean that the accord reached at the talks and then the demarcation of the border eliminate all territorial questions?

[Arkharov] Of course, for the demarcation is to define clearly and unambiguously the line of the state border between Russia and China.

The most important thing is the maximum objectivity, so that everything is done in exact accordance with the agreement of 16 May 1991, on the basis of agreed demarcation documents. For example, the islands on the Russian side of the middle of the main fairway will go to Russia, and those on the Chinese side to China. But the final answer to this question will be provided only by the demarcation, since, under the agreement of 16 May 1991, the sides are continuing talks on certain sections so as to resolve the question of the line of the border.

[Usoltsev] How will the demarcation process proceed in practice?

[Arkharov] Work on demarcation will take at least five years, for the Russian-Chinese border is 4,300 km long, of which rivers account for 3,700 km.

Political Issues

Yeltsin Comments on 'Constitutional Crisis'

LD0703215893 Moscow Ostankino Television First Channel Network in Russian 1900 GMT 7 Mar 93

[Interview with President Boris Yeltsin by anchorman Yevgeniy Kiselev, in Yeltsin's office; date not given; from the "Itogi" program—recorded]

[Text] [Kiselev] We are broadcasting today's edition of the Itogi program from the office of Russian Federation President Boris Yeltsin.

Boris Nikolayevich, I thank you for finding time in your very busy work schedule to meet with us and to answer our questions, to which I am sure millions of viewers will also be interested to hear your replies. First, I want to ask you about the following. During the very first days after you came back from you holiday, you held meetings with representatives of various parties, movements, and organizations. You paid special attention to these consultations, I think. Am I right? If I am, what was it connected with?

[Yeltsin] Yes, Yevgeniy Alekseyevich, you are right. Having thought much about the situation that has evolved in Russia at present during my short leave, I have come to quite a few conclusions as to the actions I should now take. First of all, bearing in mind the political situation, these actions will involve consultations with various movements, political parties, and associations. These consultations will continue. Meetings with deputies, factions, political parties, and individual leaders and deputies will be held. This tension will remain, not only before the congress, but it will continue after the congress, because this work is intended to be carried out over a very long period and not during one congress.

[Kiselev] Boris Nikolayevich, many observers have started talking about a change in policy, and about the fact that you have allegedly changed your political views somewhat, particularly when you said that you had no fundamental disagreements with the Civic Union. What is the true situation in this area?

[Yeltsin] It coincided so in time that when I returned to work on Sunday they held their congress that day, the second congress of the Civic Union. I took part in it, but not because the Civic Union is the first among the rest, that it stands out somehow.

Naturally, I also noticed the reaction of the mass media and Russia's inhabitants to the things I said speaking at the Civic Union congress. They were somewhat different to my previous stance. But I think that today it is justified. It is justified by the fact that it is only possible to pursue a different line of behavior with different parties, currents, and movements if everything is tranquil in society. It is only possible to deviate a little to the left or a little to the right when the center of gravity is where it should be. But if today the political center of gravity has been displaced, it is precisely the president who has to strive to restore this center of gravity in order to make it possible to conduct a dialogue with various parties and currents which deviate to the left or even somewhat to the right from the center—and the Civic Union is more or less in the center—to conduct a dialogue in order to elaborate a common policy for society.

So, I have become convinced that it is not those on the right not those on the left, not the centrists, not the communists, nor the democrats who can save Russian—no. Today Russia is in such a state that it is useless for just one party to try to save Russia. That is, there is a need for consensus. Do you understand? We need consensus among the parties. I am not talking about any kind of extremes...

[Kiselev, interrupting] You mean ultra-extremists?

[Yeltsin] Yes, ultra-extremists from the left wing and ultra- extremists from the right wing who are calling for an uprising, so to speak, who are calling for armed struggle.

[Kiselev] If I have understood you correctly, you are now ready to hold consultations with practically all political forces operating in the political arena, using civilized methods, so to speak, excluding only the most extremist elements, as a way out of constitutional crisis. But at the same time we sometimes hear from some of your political opponents that there is no constitutional crisis in general.

[Yeltsin] Of course there is a constitutional crisis, mainly because there are contradictions written into the Constitution. On 12 June, I swore an oath of allegiance, and after that 320 additions and amendments were made to the Constitution to which I had sworn allegiance. Therefore, as I put it, I did not swear allegiance to this Constitution with this wording.

[Kiselev] Indeed, in recent days this has given rise to plain fury on the part of some deputies at the Supreme Soviet.

[Yeltsin] Well, they often get into a fury, in general. But generally speaking, that is not the best state for a person to be in. It would be better to show common sense and to carry out calm discussions of the problem. There is a constitutional crisis because of the absence of clear division of powers; as a result, the powers take some functions on themselves. The legislative power undertakes a certain proportion of the functions of the executive power. Seeing that the legislative power undertakes that portion of functions, the executive power—the government—accordingly does not look into resolving or dealing with certain matters. It seems that it does not concern ordinary people, but it does concern every ordinary person. For example, I sign a decree. Suddenly the soviet in Altay Kray says, no, do not implement the decree. Do you understand what sort of power we have?

[Kiselev] Yes, it will come to a stage when someone will say: I am the supreme power in my own apartment and I am not subject to anybody's laws or decisions.

[Yeltsin] That is exactly right. But this is not possible. That is why I favor concord. And I want to reach this concord. I do not want confrontation with legislative power, no. I do not want to order anyone around. I support a clear-cut division of powers. I want a law on power to be adopted. It would be very clearly and concisely set out... [changes thought] Incidentally, I can show you this law on power, or rather a draft law on power.

[Kiselev, examines paper] That is interesting. Thank you.

[Yeltsin] It is not long, but I must say, it is very precise. Who should do what. And then there won't be any arguments.

[Kiselev] That is right, it is quite short. Altogether six articles.

[Yeltsin] That is right.

[Kiselev] It takes up two and one-half pages. Indeed. All in all, judging from the first few lines, the main idea is a clear division of powers.

[Yeltsin] That is right.

[Kiselev] So I assume that you want to present this law to the Supreme Soviet or the congress for examination.

[Yeltsin] Or the congress, that is right. I have proposed a constitutional accord. Well, as I had supposed, the attitudes toward it were not all that warm.

[Kiselev] So you do not rate its chances all that high?

[Yeltsin] Even if it is considered at the Congress of People's Deputies, then perhaps yes [sentence as heard].

[Kiselev] In that case the question arises: Have you any other proposals in reserve.

[Yeltsin] I have other proposals, I have other alternatives, considered alternatives.

[Kiselev] Boris Nikolayevich, let us speak frankly about this. I will not be the first one to say this. For the last congress you were prepared, frankly speaking, not in the best possible way. And how are things now? A congress is after all, you know, such a drama in many acts where there are moves, countermoves, thrusts and counterthrusts. You know, there are probably some likely scenarios which you and your advisers and aides are expecting. How are you feeling?

[Yeltsin] I will not discuss your assessment of how prepared I was for the last congress. I will reply by saying that we have prepared well for this congress.

[Kiselev] The forthcoming one?

[Yeltsin] Yes, the forthcoming eighth congress which will take place on 10 March. A working group has been specially set up for each question. A leader for each of these groups has been specially appointed. We are constantly meeting to discuss various versions. very thorough, constant work is going on in the presidential structure and the government. So from the point of view of being prepared, we will be prepared.

I very much hope to achieve concord at the congress between the legislative and executive authorities and the president because concord is so necessary to everyone.

[Kiselev] Boris Nikolayevich, here is what I would like to ask you. I think that many of our countrymen find it strange now to hear the words about the absolute power of the soviets. You will agree, I am sure, that for 75 years we have had the slogan: All power to the soviets. For 75 years, even longer, we have been saying that soviets are the basis of our system. All in all it seems to me that in public perception, this concept carries a very positive connotation. And if you recall, previously, when speaking against the absolute power of the Communist party, you too fought for the transfer of power into the hands of elected bodies. What has changed now, then? Why has some of this power is to be taken away from the soviets? I am convinced that a great many people are rather suspicious of this.

[Yeltsin] I will explain, I will explain. And I think that after this there should be no suspicion. Everything is very clear. Yes, indeed, for 75 years all power to the soviets was somewhat artificial, since in practice it was power of the party. And when we banned the party, after the August putsch, in practice it turned out that those who had worked in the soviets, those from the party who headed the soviets remained there, at least the majority, at least at the grassroots, and not only at the grassroots.

[Kiselev] That is right, at one time there was even a decision on this subject by the 19th Party Conference. It was said that the first secretary should if possible be the chairman of the corresponding soviet.

[Yeltsin] That is right.

[Kiselev] That presumably has had its effect.

[Yeltsin] That is right.

[Kiselev] And now we are coming up against the legacy of those decisions.

[Yeltsin] And of course I do not want to accuse all communists. There are also healthy communists who support Russia and its revival and accordingly do not want to wage a confrontational struggle and want to normal interaction as a party. Well, for God's sake, now the Constitutional Court has made a decision and everything is clear. That is why we are behaving ourselves. But of course there are some communists who occupy extreme positions, so to speak.

[Kiselev] One gets the impression that all in all inside the Communist party there have remained, just like sometime in the past, at least two trends, one sort of social democratic, inclined toward...

[Yeltsin, interrupting] Toward common sense.

[Kiselev] That is right, toward common sense, toward reformism, towards flexibility, and another, kind of ossified, dogmatic...

[Yeltsin] Absolutely right, closer to social democracy, and, well, with them, just like with any other party, we are going to cooperate and also consult them, just like the others.

[Kiselev] In an interview in PRAVDA, I believe you even said there was a possibility of this section of Communists joining the Civic Union in the future.

[Yeltsin] This is not my issue.

[Kiselev] It was your proposal though.

[Yeltsin] This is not my issue, no. It was Aleksandr Vladimirovich Rutskoy who told me that they had held preliminary consultations and that the Communists could join them in the future. But that is the affair of the Civic Union and the affair of that section of the Communist Party.

[Kiselev] Of course.

[Yeltsin] Yes. So, continuing this theme, when later we had not just the soviets in positions of power, but we had the executive power—the president, the Constitutional Court, in other words all branches of power which were supposed to be in the state—then the question was posed: How is it possible to combine a division of powers with the omnipotence of the soviets? That cannot be.

[Kiselev] As I understand, a referendum is one of the ways to resolve this problem, is it not?

[Yeltsin] Yes, possibly a referendum, but that is not the only way.

[Kiselev] It seems to me that the situation is now almost pre- determined. At least to me it seems that the Congress is set to cancel, first and foremost, a decision to hold a referendum on 11 April, which was made in December.

[Yeltsin] Maybe. It is difficult for me to guess what the Congress will decide, although I know of course, and I can hear what is being prepared [sentence as heard]. However, generally speaking, the Congress in principle has already decided on the question of a referendum. The Congress has as it were already passed the authority to the people. And to cancel the referendum now—let us assume the Congress cancels the referendum—but it seems that to a certain degree it will be a demonstration of mistrust in the people. There should be respect for the people. If the decision is made it should be implemented to the end.

[Kiselev] Boris Nikolayevich, are you yourself ready for the referendum?

[Yeltsin] I am ready.

[Kiselev] Have you had your final options with regard to the questions for the referendum?

[Yeltsin] Yes, I have.

[Kiselev] You know, I would like to hear them from you personally so that any doubts can be removed.

[Yeltsin] The first is land. I do not even need to comment on this. Everyone has the right to own land. Next is a bicameral parliament, which would say little and do a lot.

[Kiselev] I understand that this should be a supreme legislative power body?

[Yeltsin] It is a supreme power body without a congress.

[Kiselev] No congress above it?

[Yeltsin] Of course not. The third question—and I would like the questions to be very short and clear to people—the third question is whether the Constitution should be adopted by a constitutional commission or assembly. It can be called by different names. Some call it constituent assembly. Still to be more precise, it is a constitutional assembly or constitutional commission. And the third question is that a constitution needs to be adopted by a constitutional commission or assembly—it can be called a variety of names; some people talk about a constituent assembly, but to be more precise, it is a constitutional assembly or a constitutional commission. The composition of the constitutional assembly should be such that these completely new people come along, discuss the draft constitution which they have and that's it, they then go away and are not involved in any bodies of authority. That is to say that they do not use this constitution for their own personal ends. No. They should only be concerned about Russia and the people of Russia, and about Russia's future.

[Kiselev] You have said yourself a few minutes ago that the chances of the constitutional agreement are very slim. In fact on Friday the Supreme Soviet actually and formally rejected your draft agreement. The congress seems to be set to cancel the decision on the referendum. What are other options? In particular there is much talk that Yeltsin has another option in reserve. Some even call it Yeltsin's ultimate weapon. Could you divulge the secret what this is about?

[Yeltsin] I have already spoken about this at the meeting with the Democratic Choice. There is more than just one option. But I never used the word "weapon." I cannot agree with you, Yevgeniy Alekseyevich about this.

[Kiselev] It is not your words I have quoted. These are the words of those who speculate about what you said.

[Yeltsin] But I never used the word "weapon."

[Kiselev] I agree.

[Yeltsin] So it might be just a peaceful, normal proposal. Say, it might be simpler if the congress adopts its draft decision on accord between authorities. Such a document is now being prepared, and will be ready for our congress.

[Kiselev] It will be a draft, won't it?

[Yeltsin] A draft. Yes, of course, it will be a draft. So that is one thing. Well, there might be some other options. If, let's say, everything is rejected then an option could be agreed to which does not, perhaps, blend in very well with certain laws, but is devised on the basis of contradictions between laws. The Supreme Soviet has adopted many laws which contradict each other and they exist. And using these contradictions between laws, the president may propose a further option, but about that later, during the congress, if no other options are adopted.

[Kiselev] What can we journalists, including television journalists, expect in our life in the near future? You probably know that some difficulties have cropped up for us. A parliamentary commission has been at work. Obviously some resolutions will be adopted.

[Yeltsin] In order to guess what resolutions there might be, one must anticipate and prepare one's resolution, so that that draft resolution will be on the table and can be signed at any moment. Here is the instruction of the president of the Russian Federation. It is entitled: On guarantees for the stability of information and the demands made of television and radio broadcasting.

[Kiselev] That is exactly what we need.

[Yeltsin] I do not want to read out the text of the instruction, but just the headings to give an idea of what is meant. The information market; freedom of opinion; correctness; professional responsibility. This is the document and it needs to be adopted. This does not mean that the media will be curbed or that there will be some sort of pressure exerted by the president. No. However, certain rules of the game, if you will excuse the expression, must be clear to all of us. We need to adhere to them. There are the things that we should adhere to and what you should adhere to.

[Kiselev] I understand; this instruction has some points relating, on the contrary, to power structures, as if defending us additionally against political pressure, lobbying etc.

[Yeltsin] Of course, the protection of information; it is entitled: On guarantees of the stability of information. This is the most important thing. The second thing is the requirements of television and radio broadcasting. I think it will be a very serious document and it will help to improve the level of television and radio broadcasting and the media, in particular television and radio broadcasting. And also complaints to each other.

[Kiselev] Boris Nikolayevich, last question: A week has gone by since you came back to work. You have been on holiday. Have you managed to rest?

[Yeltsin] I have had some rest and I have done some good work as well.

[Kiselev] I would like to thank you. Thank you very much for answering our questions.

[Yeltsin] Thank you. I would like to finish by saying the following. Tomorrow is International Women's Day, and I would like to congratulate the women of Russia. Their life is hard at present. Nevertheless, I would like to express optimism; better times will come and gradually some changes are becoming manifest. I would like now to address the male television viewers. Look around you, look into the eyes of every woman, and give her a smile.

Yeltsin Press Office Presents Referendum Questions

LD0703163493 Moscow ITAR-TASS in English 1602 GMT 7 Mar 93

[Text] Moscow March 7 TASS—Follows an announcement by the press secretary of the president of the Russian Federation:

"Today, on March 7, 1993, President Boris N. Yeltsin of the Russian Federation informed the Supreme Soviet (parliament) of the Russian Federation of his decision concerning the president's questions to be brought up for an all-Russia referendum.

A letter, signed by B.N. Yeltsin, reads:

'In accordance with the decision of the 7th Congress of the People's Deputies of the Russian Federation, I am presenting questions to be brought up for an all-Russia referendum on April 11, 1993.

1. Do you agree that the Russian Federation should be a presidential republic? (yes or no)

2. Do you agree that the top legislature of the Russian Federation should be a bicameral parliament? (yes or no)

3. Do you agree that a new constitution of the Russian Federation should be adopted by a constitutional assembly representing the multinational population of the Russian Federation? (yes or no)

4. Do you agree that each citizen of the Russian Federation has the right to possess, use and manage land as owner? (yes or no)'

[Signed] Press secretary of the president of Russia

Vyacheslav Kostikov

the Kremlin Moscow

[Dated] March 7, 1993'"

Yeltsin Ready for Cooperation To Overcome Crisis

LD0603111393 Moscow ITAR-TASS World Service in Russian 1045 GMT 6 Mar 93

[By ITAR-TASS correspondent Gennadiy Talalayev]

[Text] Moscow, 6 Mar—Russian President Boris Yeltsin today reaffirmed that he is prepared for cooperation with the legislative branch in order to overcome the constitutional crisis.

"I am in favor of settling things amicably, of finding agreement and ceasing the confrontation between the executive and legislative branches of power," he stated during a visit to Russia's Chamber of Commerce and Industry, where he inspected the exhibition "Russian Entrepreneurship: History, Traditions and the Present."

Talking with the entrepreneurs Boris Yeltsin recalled that he had proposed various options to settle the conflict—first, a referendum, which the Supreme Soviet rejects, and then a draft constitutional agreement, which parliament also opposes.

According to the president there are now two cabinets of ministers in the country—the Supreme Soviet and the government itself, and a struggle is under way as to which is the main one. A clear-cut separation of powers between the authorities is essential, Boris Yeltsin said. "I am therefore proposing the adoption of a Law on Power, which would demarcate the rights and duties of each branch of power, as is done throughout the whole civilized world."

The president stressed that political peace is needed for the development of entrepreneurship, increased investment activity and the attraction of foreign investments. In this connection, much depends, too, on the position of the entrepreneurs themselves in relation to the present crisis.

Participants in the meeting expressed their total support for the president and his course.

Analyzing the work of the Chamber of Commerce and Industry, Boris Yeltsin pointed out that links with the countries of Eastern Europe need to be improved more actively as the trade turnover with them has been reduced by between one-half and two-thirds over the last few years.

It is also worth exploiting the huge potential in Chinese-Russian relations more energetically. During a recent visit to Beijing, the president recalled, more than 20 joint documents were signed, and now "all entrepeneurs should hasten to get into China." Besides this, it is essential that cooperation with new partners like South Korea, Japan, and Taiwan should be developed.

Russia is now in a state of crisis. However, the president assured them that the economy should pick up this year. Russia, he believes, will revive and will become great, but not because of the number of nuclear missiles it possesses, rather because of the level of its economic development.

Yeltsin Content With Date for Eighth Congress

OW0503163793 Moscow INTERFAX in English 1611 GMT 5 Mar 93

[Report by Andrey Pershin, Andrey Petrovskiy, and Vladimir Shishlin; edited by Boris Grishchenko; from the "Presidential Bulletin" feature—following item transmitted via KYODO]

[Excerpts] President Yeltsin and most of his inner circle are contented with the decision made on Friday [5 March] by the RF [Russian Federation] parliament to convene the 8th extraordinary congress of people's deputies on March 10, deputy chairman of the RF president's federal information center Sergey Yushenkov told Interfax.

Sergey Yushenkov, who is also a people's deputy and member of the parliamentary "Reform Coalition" reminded that Boris Yeltsin and Ruslan Khasbulatov had reached a preliminary agreement in regard to this date during their personal contacts.

IF [INTERFAX] Note: At the moment of release of this Presidential Bulletin, the Supreme Soviet has not finalized the agenda for the congress. Its draft was to be prepared by a working group headed by Nikolay Ryabov, parliament deputy chairman. Boris Yeltsin proposed that the Congress should address only one issue: referendum and the Constitutional [power-sharing] agreement between the executive and legislative power branches.

Speaking at the parliament session on Friday, head of the working group Nikolay Ryabov was highly critical of the presidential draft of this agreement, saying it is likely to ruin rather than strengthen the constitutional system in the country. In his opinion, the presidential draft only provides for the parliament's concessions, while the president's commitments and liabilities are defined in the existing Constitution.

Mr Ryabov reasons that the president has no grounds to assume upon himself the powers of a head of state, asserting that he is not endowed with such powers under the existing constitution. He also regards as ultimately unacceptable the president's proposal to transfer under the government control all the federal budgetary funds, including the Central Bank of Russia, etc., which are currently answerable to the parliament. Sergey Ryabov fears that the parliament may be deprived of its leverage to influence the operation of the government. "Boris Yeltsin is just trying to impose his will on the parliament," Ruslan Khasbulatov's deputy said in summation.

The experts close to the Russian government are attaching special attention to the fact that in being a co-chairman in the working group set up to work up a joint variant of the constitutional agreement Mr Yushenkov has not advanced any alternative draft or proposal in regards to the constitutional agreement.

In the meantime, first deputy prime minister Vladimir Shumeyko, who is also chairing the working group on the presidential side, proposed to the deputies at the parliamentary session on Friday that the issue of the constitutional agreement should be resolved in principle. Only after the parliament has passed a positive decision, would it become possible to assign the presidential and parliamentary working groups to draft the document which would be acceptable for either side. In the opinion of the first deputy prime minister, in compliance with the Constitution, the draft agreement should acknowledge the "status-quo" of the powers vested in the president and the Supreme Soviet. The parties should also agree "not to resort to their powers," which could untie the government hands. [passage omitted]

Based on the tenor of Sergey Yushenkov's assertions, most of the presidential staff maintain that even in the eventuality that both the president and the parliament find the draft of the constitutional agreement acceptable and it is included in the agenda, there is little chance that the congress would adopt it. In that situation Mr Yushenkov is referring the deputies to the provisions of the Congress December resolutions in regards to stabilizing the constitutional system in Russia. This document also envisages a possibility of a referendum on April 11.

Should the congress fail to approve a constitutional agreement with the president, its deputies will have to approve the referendum, Mr Yushenkov said. In his words, the questions in the plebiscite may include an item on calling new presidential and parliamentary elections ahead of time.

Remarkably, "Boris Yeltsin is prepared for such an outcome, if such would be the will of the people," he said. The parliament deputy speaker, however, does not exclude a possibility that the president and the congress would conclude an agreement between them. Then the issue of the Congress December resolution, hence the referendum, will be automatically discarded, Sergey Yushenkov said.

Yeltsin Meeting With Reform Coalition Called Off

LD0503210593 Moscow Radio Rossii Network in Russian 2000 GMT 5 Mar 93

[Text] INTERFAX has been informed by the Russian Federation president's press service that a meeting between Boris Yeltsin and members of the Parliamentary Reform Coalition planned for Saturday [6 March] at the President Hotel will not be held.

Chernomyrdin Reiterates Support for Yeltsin

LD0603131193 Moscow ITAR-TASS in English 1307 GMT 6 Mar 93

[By ITAR-TASS correspondent Ivan Novikov]

[Text] Moscow March 6 TASS—"The government is the body which must support and will support the president, because he is head of the executive authority," chairman of the Council of Ministers Viktor Chernomyrdin said today in an interview with journalists after a meeting with the council of parliamentary groups. "We are a single whole, and we cannot be divided. All our actions should be aimed at working together with the president and for the president," he stressed.

The prime minister added that the government should not remain aloof to what the legislators are doing. "We should meet, should explain our stands to each other. In a way, this is what I mean when I speak about support for the president," he said.

Chernomyrdin is expecting only one thing from the extraordinary congress of people's deputies: "To finish its work in one day."

The head of government was asked to comment on the statement, usually linked with the idea of Ruslan Khasbulatov, that the president should be the head of state, not the head of the executive authority. "Everyone may express his view. If everyone gets down to his own business, the way it should be, success is sure to come," Chernomyrdin said in reply.

Chernomyrdin Says Government Open for Dialogue

LD0503144493 Moscow ITAR-TASS in English 1439 GMT 5 Mar 93

[By ITAR-TASS correspondents Ivan Ivanov and Gennadiy Talalayev]

[Text] Moscow March 5 TASS—The Russian government is open for a dialogue with all public movements and forces in order to normalise the economic situation in the country, Russian Prime Minister Viktor Chernomyrdin said on Friday.

Commenting on the results of the government meeting held today, Chernomyrdin said "we had a long talk about preparations for the Congress of People's Deputies scheduled for March 10." "We understand the role of the government at the congress and know what questions we will be asked. Therefore we want the government to begin intense interaction with the deputy corps and to explain what we are working on right now, what is going on and what results we have achieved," Chernomyrdin said.

He noted that the government has many proposals on ways to further economic reforms in the country and called for a "radical change in the attitude towards the government."

"The government should work and adopt decisions without looking to the right and to the left," the prime minister said, stressing that if government decisions are torpedoed by the parliament, "we won't get things going ever."

First Vice-Prime Minister Vladimir Shumeyko, who heads the commission set up to prepare the referendum, said the government is ready for the referendum scheduled for April 11, 1993. At present, polling stations, transport, communications means are 98 per cent ready, Shumeyko said. But if the congress votes against the referendum, which will be in violation of the law, the president will have to declare a popular discussion of issues submitted for the referendum. This discussion will not have the power of referendum, but still it will become an expression of the will of the people.

Chernomyrdin Denies Deputies 'Too Aggressive'

LD0503152193 Moscow Mayak Radio Network in Russian 1300 GMT 6 Mar 93

[Text] All branches of power have something to work on these days, Viktor Chernomyrdin, chairman of the Russian Council of ministers, stressed in an interview with journalists. He had a meeting with a council of parliamentary groups at the White House today. Asked by journalists if the behavior of the people's deputies on the eve of the extraordinary congress did not seem somewhat too aggressive to him, Viktor Chernomyrdin answered in the negative. I have not felt this, he said. Like ourselves, the deputies are more concerned about the situation in the country.

Grachev Bans Moscow Area Military Moves During Congress

MK0603114593 Moscow NEZAVISIMAYA GAZETA in Russian 6 Mar 93 p 1

[By Vadim Solovyev]

[Text] Defense Minister Grachev has stated that certain political forces are stepping up attempts to play the Army political card and, in particular, that "certain figures are spreading rumors that the Defense Ministry and the Air Force are even preparing a nuclear strike." In order not to give grounds for suspicion, the minister has banned all movements of service personnel or military equipment in the Moscow Military District during the period of the Congress. He issued this directive yesterday when addressing a meeting of Moscow Military District officers. Grachev explained the main areas of military reform: completing the switch to a mixed manning system; achieving maximum personnel strength; and setting up mobile forces by 1995 in implementation of a new military-technical policy. By 1995, all troops will have been brought back onto Russian territory, and the housing issue could be resolved in 1997.

Shakhray Calls For 'Compromise' in Political Crisis

LD0603174593 Moscow Radio Rossii Network in Russian 1700 GMT 6 Mar 93

[Text] The way out of the current political crisis lies in seeking a mutually acceptable compromise between the executive and the legislature, according to Vice Premier Sergey Shakhray. In an interview with correspondents today in the White House, Shakhray stressed that if the upcoming Congress of People's Deputies votes to dismiss the president from office, it would not make a lot of difference. Similarly, if the president issues a decree to dissolve the Congress, the latter would not vanish. If there is no chance of a clear victory, the vice premier said, one has to come to an agreement.

Further Comment

LD0603200793

[Editorial Report] Moscow Ostankino Television First Channel Network in Russian at 1510 GMT on 6 March broadcasts its 40-minute program entitled "Red Square." This week Aleksandr Lyubimov and Andranik Migranyan talk to Russian Vice Premier Sergey Shakhray about the current power crisis in Russia.

Shakhray begins by saying: "On the whole I do not think there is a crisis at all. There are just the normal manifestations of contradictions to be coped with during the transition from one way of life or one economic system to another. Only in a state, in politics and in social consciousness, do these contradictions always manifest themselves in the form of a struggle for power."

Shakhray rejects Lyubimov's suggestion that the Russian Communists are largely in favor of a parliamentary republic while the democrats prefer a presidential republic. Shakhray says:

"You know, there are parliamentary partisans as well as the presidential republic on both sides. To politicians this is a matter of political struggle and to the country a matter of choice, a matter of survival. At the moment both powers are sitting in the same boat, trying to pierce a hole in its bottom, instead of one of them rowing as hard as it can and the other bailing out the boat."

Migranyan says the current conflict began after the move to transfer all power to the soviets was completed and the country then started shifting toward presidential rule and the division of powers. It has never quite reached this stage—the full division of power has not been attained. As a result, the supreme power possessed by Congress and its conflict with presidential power are being exploited by some political forces.

Shakhray says emphatically that he is against analyzing the situation in terms of struggle and conflict. "The president has tried to introduce a new concept of the state and to create a normal vertical system of executive power. So the old power became jealous of the new one, which brought about all these conflicts," Shakhray adds. He continues: "Unfortunately, the only legitimate way of resolving contradictions available to us is a referendum—both sides have been elected, so let the people decide and be the judge of both the president and Parliament. We have no political traditions to speak of.

"A referendum is of course an extreme measure. In a normal society there should be a system of parties, political institutes, consultations, a state or semi-state religion, and so on, all of which are used to resolve conflicts. But we don't have such things yet."

Lyubimov wonders if consultations could have defused the situation before the previous Congress. Shakhray agrees, but points out that the present consultations which started on 9 February should include as wide a range of political forces as possible. He adds:

"It should be understood that the president and Parliament are just a part of the political spectrum, and it is necessary to appeal to other political forces, this is quite normal. The president has started consultations with three political blocs: the centrists—the Civic Union—the Democratic Choice, and, I am sure, a third round of consultations must take place—with the bloc of Communists—let's call them so. The situation is fraught with danger and responsibility, so even 10 votes might matter".

Shakhray believes consultations are to be held with the production complex and with territorial representatives. If consensus, in the form of any document, is not reached before the Congress, the Congress will be prolonged and full of confrontation, he stresses. The consensus can be achieved in this way, he says: "Both powers should pledge to giveg carte blanche to the Government with regard to economic policy for the period while the political crisis continues".

Lyubimov asks if that will mean that Chernomyrdin will be the main person in the state, and what Parliament will gain from this. Shakhray replies that there will be the advantage of the Government performing its own clear-cut tasks and Parliament dealing with legislation and control, its specific responsibilities. Migranyan asks: Can the president and the Supreme Soviet give up some of their powers to the Government and refrain from interfering with its economic policies—the way it is being done in Ukraine? Shakhray says exactly this has been suggested by the president in his recent draft agreement with parliament. Anything must be tried to save the Russian statehood; if Shakhray must leave the government to achieve this he will do so gladly, Shakhray states.

Lyubimov asks what is going to happen in 6 months time. Shakhray says that a new system of parties and clear-cut policies should be shaped by 1995, the year of parliamentary elections. An early election is also not at all frightening and not going to produce an earthquake if carried out in a civilized way. The president and Parliament must be reelected gradually, not all at the same time, so that there is some continuity of power. The main problem is how to elect, says Shakhray. "I think Russia needs an election system based on the principle of majority vote, simply because there are no parties in society. Proportional representation where parties are weak weakens Parliament and, through it, weakens the state. I am in favor of a presidential republic for the same reason—not because I like the sound of the word president, but because there is no party structure in our society. With two or three parties it is possible to create a strong parliament and executive power attached to it," Shakhray says.

A discussion follows of the advantages of a parliamentary republic. Shakhray says the 1917 October Revolution partly occurred because there was a weak parliament and weak executive power. Asked by Lyubimov about the Constitutional Court, Shakhray says it is currently playing a positive role, but the two-tier structure generally typical of Russia's political bodies is not beneficial. Lyubimov and Migranyan sum up the discussion.

Shumeyko Says Government 98% Ready for Referendum

OW0503152993 Moscow INTERFAX in English 1521 GMT 5 Mar 93

[Following item transmitted via KYODO]

[Excerpt] The government is 98% ready for the referendum, Russia's First Vice-Premier and Chairman of the Organizing Committee for the Referendum, Vladimir Shumeyko, told the Cabinet on Friday. The Cabinet meeting, chaired by Premier Chernomyrdin, concentrated on the government's strategy on the eve of the Congress of People's Deputies. Shumeyko described it as constructive and matter-of-fact.

He also said that his commission had analyzed political parties and citizens' letters to the president which will serve as the basic material for formulating the questions for the referendum. These questions will be published before the end of the week, he said. [passage omitted]

Views Power Division, Referendum

LD0603021593 Moscow Radio Rossii Network in Russian 1221 GMT 5 Mar 93

[Interview with First Vice Premier Vladimir Filippovich Shumeyko by correspondent Boris Markovnikov on 4 March, place not given—recorded]

[Text] [Markovnikov] What do you think of the proposal made by Supreme Soviet Chairman Khasbulatov to subordinate the government not to the president but to the Supreme Soviet?

[Shumeyko] I am opposed to it. I have already stated this many times. The system of the division of powers, the division of powers, the principle of the division of powers, is an unshakeable principle of the Constitution, of the legislative, executive, and judicial. Take executive power. The supreme official, the head of executive power, is the president. All of this branch of executive power, the president and the government, is a component part of this presidential power as a part of the executive power. If we now take the government and separate it and subordinate it to the Supreme Soviet then, excuse me, why do we need executive power, why do we need the president? That is, all the discussions lead to a return to a two-component system, everything just as it was under the old system—joint decisions, the Central Committee, and the Council of Ministers—two components of power.

[Markovnikov] At present the Supreme Soviet fulfills some functions of executive power. This hinders the work.

[Shumeyko] The Supreme Soviet has taken upon itself, as well as supervisory, also management functions, supervisory-management, and so on. That is written in Article 109 of the Constitution. However, Article 3 of the Constitution describes the system of state power in the Russian Federation and is founded on the principle of the division of powers. It states that there is the judicial, legislative, and executive powers. So we have this confusion, because the Supreme Soviet has undertaken administrative functions and has bodies which bear such functions—say, the bank, the pension fund, State Statistics Committee, and so on; those bodies which are not legislative. So here we get discord.

Here is what is interesting: Say there is no money in the budget and we cannot allocate money from the budget for the poor, for example, while the pension fund, which is accountable to the Supreme Soviet, has a surplus of such money. But these funds are not directed where the state should direct them today, but are directed, say, into commercial circulation. There is also the road fund and the power fund, that is extra-budgetary funds. An interesting picture arises: there are no funds in the budget, but there are funds in the extra-budgetary funds. But they arrive there from the same source, from the same enterprises, from the taxes of the working people, and so on. Therefore, we say that the government should unite all of this in one set of hands, where it should be operationally subordinated, even if it remains accountable to the Supreme Soviet.

Or take the example of the Federal Property Fund and the Committee for Managing State Property. Once again we have a dual branch system. The Fund is accountable to the Supreme Soviet, while the State Committee for Property is in the government. Again, in the localities along all this vertical division, there is disagreement: the Fund decides one thing, the State Property Committee decides something different. This brings nothing but confusion and incomprehension to privatization. That is why the agreement which the president sent to the Supreme Soviet is aimed at restoring the balance of estates, and perhaps the basic substantial part of this agreement—its third part—proposes nothing less to the Supreme Soviet than transferring temporarily, until the adoption of a new Constitution, these bodies to governmental subordination, while not removing their accountability to the Supreme Soviet. They can request a report from them everyday if they want. However, the government must have operational control of all these bodies.

[Markovnikov] It seems to me that the contradiction, the confrontation, between the federal executive estate and the legislative estate, between the president and the Supreme Soviet, is descending to a local level. You talked about the decision of the Altay kray soviet, to the effect that the resolutions and decrees of the president should not be valid on the territory of Altay kray.

[Shumeyko] Since then Chelyabinsk Soviet has joined it. Perhaps someone else will adopt such decisions. They are naturally leading to a disbalance, a total disbalance, and if a soviet has the right, so to speak, on the territory of, for instance, a kray or an oblast, to annul presidential decrees and governmental resolutions, then by the same token ordinary citizens—those who should fulfil the laws, those who work every day—fall into a strange situation. What norms and rules are they to live by today? As it is, reconstruction is underway in this country. The reconstruction of the economy and the formation of a new Russian state. Per se it is very difficult for people to live under this reform without consciously adding those difficulties which arise from this imbalance. Many are attempting to portray contradictions between Yeltsin and Khasbulatov which are supposed to have happened. Here in Moscow, over the division of power, and so forth. Well, this is such an incorrect and trivial portrayal. It is simply incorrect. The thing is that the procedure for the division of powers established by the Constitution is from top to bottom, across the board. For instance, the whole judicial estate, beginning with the Supreme Court and Supreme Arbitration down to the kray, oblast, rayon, and town level. All the soviets are pierced by a vertical branch—we in the government, in the ministries, and departments, the heads of administrations, and so forth.

The contradiction runs throughout between the estates in this sense of the word, and an imbalance has appeared. It is doing great harm to the situation today. It is not stabilizing this situation. It is not aimed at practical actions, because today we have to work as a single unit, to a unified program, with unified views on how to carry out this program. This has to be worked out.

Once again we return to the question of why the president is raising the issue of an agreement. If there is no agreement it will still be necessary to hold a referendum, and it will still be necessary to appeal to the people. In my view, today no one, apart from the people, will resolve the question of these unified rules and unified approach to what is being done in Russia.

[Markovnikov] A question for you, Vladimir Fillipovich, in your capacity as head of the governmental commission preparing for the referendum. What will your commission do and how do you see the future if the extraordinary Congress of People's Deputies cancels it?

[Shumeyko] Well, first the Congress does not have the right to call off the referendum. It has no such powers. Under Article 104 of the Constitution, the Congress is entitled to examine and decide on any issue in the

Russian Federation. I stress: any issue. Or it has an alternative: if it doesn't take it upon itself to decide on an issue then it hands it over to the people. This is what happened at the Seventh Congress of Russian People's Deputies. The Congress decided to hold a referendum on the principal clauses of the Constitution on 11 April. Thus it sent the question onward, beyond its own remit. Our entire legislative framework—the Constitution, the law on referendums, and all the other laws—are currently constructed in such a way that you can call a referendum, but not recall it, so to speak. It's now up to the people whether the referendum should go ahead or not. The Congress alone cannot decide that now.

However, our People's Deputies are not much like legislators and they sometimes pass decisions in the heat of the moment, completely forgetting that they are primarily legislators. Although they themselves wrote that this is the highest repository of state power, in actual fact the Constitution, which the president swore to uphold, if they remember, was written by the highest repository of legislative power. They are first and foremost legislators, so all their decisions are turned into legislation. They passed that legislation by a two-thirds majority. They voted for it. The referendum was demanded by the Congress and called by the Supreme Soviet.

Every lawyer understands that, as does the Supreme Soviet chairman himself when he says that there is no point now in holding a referendum. But we cannot deny the people that right. Let's not ask questions about the Constitution, let's put to the vote two questions: about bringing forward the elections for people's deputies, and bringing forward the elections for president.

To reiterate once again: It was the Congress that decided—and thus relinquished the issue—that no other referendums can be held for the time being apart from one on the main clauses of the Constitution, and so forth. All decisions that are taken back are subjects in law, if I can call them that, just like the Congress, Supreme Soviet, president, and Constitutional Court. All who decide now not to go ahead with the referendum simply remove themselves from the sphere of law. Their actions are illegitimate, they have no basis at all in law.

So the Congress will once again turn into a common-or-garden Communist talking shop, back to what we had when the CPSU was in power, when we had socialism, and so forth. History is repeating itself. But they can make a decision: The Congress decides to cancel the referendum.

So what to do then? Then we'll have to hold not a referendum but a public opinion poll. It will have to be held by the executive authorities. Thank God that nobody hass stripped the president of the right to ask the people directly. However, there is nothing about this written down in legislation. We will put a means of doing it into law and turn to the people. This kind of poll has to be held. I think that the president will soon turn to the people with his questions for the referendum. Then there will be something to debate: why these questions, why have they been raised, what will they provide for the people? I do not think that our people are stupid; they have had enough during this period of uncertainty. We cannot have one foot in socialism and one in some other system. If anyone thinks that everything good achieved under socialism will be thrown out under the new constitution, then he's absolutely wrong.

Everything that was good in that constitution, everything that was aimed at the well-being of the people, has to be kept in the new constitution. The people should definitely discuss this. We don't need any isms—not socialism, not capitalism, not communism. All these isms are for the scholars. We need to build an entirely new Russian society in which the individual can be a real person. A decent society for people. It is difficult for anyone other than the people to decide what kind of constitution to adopt. Why fear a debate on the main provisions of the Constitution? Why is everyone is saying: Better not, it is too early, nothing will come of it, nobody wants to vote, and so on? Especially if you put just the one question: Do you agree that a new constitution, adopted at a constitutional assembly representing the entire multinational people of Russia, which is the only way of doing it, because the new constitution should be passed by representatives of the people chosen in a fundamentally different way. You see, the deputies are all good people, but they are chosen on a territorial basis.

When I was a people's deputy, for national-territorial constituency No. 17, I had 3.5 million people, that's more than half the Kuban. I had 1.6 million voters. Next to me sits an identical people's deputy who was elected in the town of Krasnodar, in a different constituency, in which 63,000 people live. The deputies do not even have equal rights. They do not correctly represent everything. Those 252 people who are from large constituencies make up the Soviet of Nationalities, while all the 900 others are elected on territorial grounds. As far as adopting a new constitution is concerned, they are simply not even competent to adopt it, because since then Russia has changed.

There is no Soviet Union. Russia is a federative state which includes subjects of the Federation, as they are called, but they are republics belonging to Russia—22 sovereign republics, krays, oblasts, autonomous formations, and so forth. They should represent this whole multi-ethnic people, this whole formation, and should determine who will adopt the new Constitution. Now only a new constituent assembly which is elected on completely different grounds should determine this. So, if the people say yes to this question, then it is understandable that the Congress is not needed. Naturally, they do not want to ask this question. And how to formulate this question; for instance: Do you agree that the unconditional right be established in the constitution of every Russian citizen to own, use, and dispose of land on the basis of the right of ownership? If we receive a yes to this question, then this pulls the rug from under the feet of the opponents of today's reforms regarding all economic arguments. It pulls the rug away totally, because ownership of the land gives a foundation to make the Constitution completely different.

If, for instance, we ask you this question: Do you agree that a two-chamber Supreme Soviet should be the legislative body in the new constitution? The legislative body, I stress again. Let's say, a two-chamber, a normal two-chamber, professional Supreme Soviet. If the people reply yes to this question, it is clear that the Congress, this whole system, is not needed at all. This is a political argument which is going on; it is not about the essentials. The argument is not about what should be done and how it should be done for Russia to make things better. Today, in my view, the argument on the part of the people's deputies is about whether or not they will survive until the end of their term, and so forth.

The absolute power of the soviets which they have gradually grabbed has practically created a constitutional coup, because if we open the constitution...here it is, right in front of me. Here is the first article. The most important one: on the political system. Here it reads that the unshakeable foundations of the constitutional structure of Russia are sovereignty of the people, federalism, a republican form of government and the division of power. No division of power has remained. Now the Congress is called the supreme body of state power. A principle is called unshakeable, and yet it has already been scored out. Federalism is written here, but the Supreme Soviet, or the Supreme Soviet Presidium, announces its 12 questions, it would seem, for the referendum, and the first question reads, Do you agree that Russia is a federative state? Who doubts this? No one ever doubted this. There is a federative treaty. It is written that it is an integral part of the Constitution. They purposely ask a question that casts doubts among the subjects of the federation.

[Markovnikov] But what if, nonetheless, the majority of the Russian population does not take part in the referendum, or in this matter?

[Shumeyko] I don't believe this. I simply don't believe that the majority of the Russian people won't take part. When we publish the questions—I have simply thrown up these as indications of what the questions could be; I think that these questions will soon be published—at least it will be possible to explain to people about every question, about every component of the question, what the question stands for and how their personal life depends on the adoption or rejection of this or that question. I don't believe that people don't care about their fate, about the fate of their children, and so forth. After all, we are building a completely different society. What are its moral principles? A person has to earn as much as he can, to provide first of all for his family. The family is the main cell of society. If the family is strong and healthy the whole of society will be healthy.

Opposition: Yeltsin, Parliament Working 'Behind-the-Scenes'

OW0503153693 Moscow INTERFAX in English 1522 GMT 5 Mar 93

[Following item transmitted via KYODO]

[Text] Iliya Konstantinov, the coordinator of the opposition parliamentary bloc Russian Unity and a National Salvation Front leader, is convinced that President Boris Yeltsin and the leadership of the Russian parliament have reached a behind-the-scenes agreement on the extraordinary Congress of People's Deputies.

In his interview with Interfax during the parliament's session, Konstantinov declared that "the President and chairman of parliament present two sides of one corrupt political grouping," which is interested in preserving the existing "status quo." According to Konstantinov, there will be no constitutional coup in the near future, however, the country is heading towards "the gradual introduction of direct presidential rule without prior arrangement." Konstantinov believes that the only way out of the dead end situation are early parliamentary and presidential elections.

Army Officers on 'Countermeasures' to Yeltsin Rule

MK0503131193 Moscow MOSKOVSKIY KOMSOMOLETS in Russian 5 Mar 93 p 2

[Andrey Stepanov report: "Zorkin Is The First To Learn About Anything"]

[Text] After procrastinating for two weeks, the executive committee of the All-Army Officers' Assembly [AOA] has convened a press conference devoted to the results of the First AOA Congress.

The event was held in a completely appropriate place—Moscow City Soviet's Red Hall. The executive committee members began by boasting tiresomely about the results of their congress.

Then they turned to what was really exciting them: They stated that the Security Council session and the Russian Army High Command staff conference constituted nothing more nor less than preparations for a military coup, that Yeltsin had already signed a corresponding edict on the introduction of presidential rule, that the Internal Affairs Ministry and Defense Ministry planned to set up specialized units, etc. After that came threats that the AOA had devised appropriate "countermeasures" in case the president should actually sign such an edict, that it would be his last edict as president, and so forth.

Asked by correspondents for documentary proof of any of their allegations, the "overthrowers" replied that they had no documents but that their sources of information were "very reliable" and the plans to "influence" the president and the defense minister were top secret.

In addition to this it was stated that a National Salvation Committee had already been set up, that AOA people would soon be meeting with local soviet chairmen, and that before coming to the press conference they had been to the Constitutional Court to report(!) the situation in the country to V. Zorkin.

Both V. Zorkin's office and the Constitutional Court's press center were "unable" to refute the report of the meeting. An expert adviser to the Court chairman "could not" refute it either.

Major Political Blocs Issue Joint Call to Roundtable

LD0503135893 Moscow ITAR-TASS World Service in Russian 1205 GMT 5 Mar 93

[Report by ITAR-TASS correspondent Lyudmila Aleksandrova]

[Text] Moscow, 5 Mar—What seemed impossible just yesterday has come to pass: the leaders of Russia's four major—and in many respects antagonistic—political blocs have issued a joint call to hold a nationwide "Roundtable" of Russia's political blocs on 9 March. The press service of the Civic Union centrist bloc has reported that a number of leading members of the four blocs—the Civic Union, Democratic Choice, New Russia, and Russian Unity—signed the appeal, which points out the extreme importance of raising the level of accord.

The bloc leaders appealed to the political forces united in these alliances, to trade unions and associations of entrepreneurs, to the president, Supreme Soviet, and the government to sit down at the negotiating table to work out ways of moving to such accord. The signatories of the appeal include Aleksandr Vladislavlev, leader of the All-Russian Renewal Union; Vasiliy Lipitskiy, chairman of the Civic Union executive committee; Valeriy Khomyakov, chairman of the board of the Democratic Party of Russia; Vladimir Bokser, member of the coordinating council of the Democratic Russia movement; Lev Ponomarev, co-chairman of Democratic Russia; Sergey Baburin, leader of the Russian Popular Alliance; Gennadiy Zyuganov, leader of the central executive committee of the Russian Federation Communist Party; Vladimir Isakov, leader of Russian Unity; and others. This is perhaps the first time a joint statement has been issued by the leaders of political forces of such diverse orientation.

Yeltsin Relieves Chief State Inspector

LD0503132393 Moscow ITAR-TASS World Service in Russian 1210 GMT 5 Mar 93

[Text] Moscow, 5 Mar (ITAR-TASS)—President Boris Yeltsin has relieved Yuriy Boldyrev of his duties as chief state inspector of the Russian Federation—head of the Control Department of the Russian Federation president's administration, "in connection with the abolition of this post" and "the establishment of a new structure of the president's administration." This is stated in a decree signed 4 March.

Yuriy Boldyrev himself said in a MEGAPOLIS EKSPRESS interview published on 3 March that the president explained this step to him as being because local heads of administration are dissatisfied with the chief inspector: "there are too many conflicts."

Legality of Referendum, Yeltsin Draft Viewed

PM0803112393 Moscow ROSSIYSKAYA GAZETA in Russian 5 Mar 93 First Edition p 2

["Experts' Assessments" by the Parliamentary Center and the Presidential State-Legal Administration: "The People Can Do Everything. But They Do Not Suspect That This Is the Case"]

[Text] How close are the aims stated in the draft "Agreement" to the content of the actual draft?

1. The actual concept of an "agreement" between branches of power has not been envisaged by the existing Constitution. It enshrines three cases when the representative organ of power participates in the establishment of treaty relations: the ratification and denunciation of international treaties (Point 2-1 Article 104, Point 19 Article 109), and also the establishment of treaty relations between the Supreme Soviet and legislative organs of other states (Point 5 Article 115). At the same time, the concept of an "agreement between branches of power" is not known in contemporary constitutional law.

2. The idea of the agreement consists in the fact that the president on the one hand and the Supreme Soviet on the other hand (and, according to the authors of the draft, the signature of precisely these two institutions should appear on the text of the given agreement) "exchange" certain elements of existing legal status on the principle: "You scratch my back, I'll scratch yours." Any exchange underpinned by a relevant agreement, if it is being established by partners with equal rights or at least of equal value, and is not dictated from the position of "might makes right" [as published].

What does the president guarantee? For example: "To ensure the strict conformity of edicts and directives of the president and decrees and directives of the Council of Ministers-Government of the Russian Federation with the Russian Federation Constitution and laws (Point 1.3)." However, the following principle has already been enshrined in the existing Constitution: "The edicts of the Russian Federation president cannot contravene the Russian Federation Constitution or laws." Furthermore, in "the event of an act of the president contravening the Russian Federation Constitution or law, it is the norm of the Russian Federation Constitution or law that operates (Part 2 Articles 121-8). In essence, practically all the other commitments which the president guarantees to carry out also follow directly from the text of the Constitution, for example, the commitment "to defend the territorial integrity of both the Russian Federation and its components" and so on, while others stem from the general mood of Russia's population (the protection of "Russians" [rossiyan] (with all the vagueness that this actual term entails) outside the Russian Federation—Point 1.9, and the adoption of measures "to support and strengthen integrational processes within the framework of the CIS"—Point 1.8). At the same time, the Supreme Soviet is deprived of the levers of influence on the government's economic policy that it possesses at present: the Federal Property Fund, the Pension Fund, the Central Bank, and so on are being handed over to the government.

Some of the president's demands significantly infringe not just the Supreme Soviet's "executive and administrative" powers, but also its rights of control, particularly in the economic and social sphere (Point 3.1). For instance, by handing over the Federal Property Fund to the government, the Supreme Soviet is deprived of effective levers for controlling the process of privatization, which, according to the testimony of many economists, is being conducted insufficiently efficiently.

The president's desire to amend Article 104 of the Russian Federation Constitution attracts particular attention; this concerns the right of the Congress of People's Deputies to receive for examination and resolve any issue ascribed to the authority of the Russian Federation. It is no accident that in his speech of 18 February 1993, the president laid the blame for the present crisis of power on the "absolute power of the soviets," which are trying to supplant both the government and the president. The proposition of Article 104 undoubtedly does contravene the principle of the separation of powers as formally understood. However, the article in question appeared at the very moment when the democratic public of Russia was trying to oppose the absolute power of the party structures with the help of the revival of the slogan "All Power to the Soviets." And it was thanks to the existence of this article that the Declaration on the State Sovereignty of the RSFSR was adopted, which played a significant role in the development of the political situation in 1990-1991. The congress did not make any other decisions based on this article. Therefore the desire to amend Article 104 can only be explained by the misgivings of the president and his team that, under the influence of the deterioration of the socioeconomic situation, the Congress of People's Deputies will recognize that the experience of introducing the post of president in the Russian Federation with a practically unrestricted volume of rights and powers has been unsuccessful, and will adopt a decision to alter the legal status of the actual institution of the president.

The disparity between the responsibilities which the president is placing upon himself and upon the Supreme Soviet can also be seen in the case of the determination of guarantees for the agreement. Thus, if the agreement is not observed by one of the sides, once the relevant findings have been made by the Constitutional Court, the president resigns on his own [samostoyatelno]. But if the guarantees are not observed by the Supreme Soviet, then the president compulsorily dissolves the Supreme Soviet once the relevant findings have been made by the Constitutional Court (Points 5.1 and 5.2). If certain members of the president's "team" (for example M. Poltoranin) are today already expressing the opinion that the legitimacy of the Constitutional Court (which is elected only by congress and has not adopted a decision to completely ban the communist party and declare it a criminal organization and so on) is insufficient, then in a situation when the Constitutional Court adopts a negative decision in respect of the president on the observance of the agreement, then the president is scarcely likely to simply resign on his own. But in the other case, if a decision is adopted to dissolve the Supreme Soviet, it does not entail the automatic disbandment of the congress, as the text of the agreement makes clear. However, the congress is in fact deprived of the opportunity to convene in order to elect a new Supreme Soviet because the Supreme Soviet officials have been dismissed. So maybe the whole business boils down to the fact that a legal basis must be formed in order to dismiss Khasbulatov, for example, from the post of chairman of the Russian Federation Supreme Soviet?

Thus, regardless of the fact that the document presented by the president is called an "agreement," it can scarcely be considered an agreement in the full sense of the word, that is, an understanding based on equal rights. You could say that the president has simply dictated his own conditions.

Finally, the president is proposing to convene (elect or form) a Constitutional Assembly (Point 4.2) to adopt the new Constitution. At the same time, the present Russian Federation people's deputies are de facto supposed to acknowledge their professional, civil, and political unfitness to adopt the new Constitution (Point 4.1; despite the fact that the draft of the new Constitution is being elaborated by the Constitutional Commission, which was formed by the congress and whose chairman is the Russian Federation president;—thus the president is indirectly also recognizing his own incompetence in constitutional questions). However, the creation of a new representative organ to adopt the new Constitution, despite the fact that a constitutional representative organ—the Congress of People's Deputies—is operating at the same time, introduces a duality into the constitutional process that is intolerable for the constitutional system. Even if the right of the Congress of People's Deputies to adopt a new Constitution is not recognized for political reasons (which is sufficiently damaging in itself), then the new Constitution could be adopted, say, by a new legislative organ of power, elected in accordance with the new election law in the new political situation amid party and ideological pluralism.

The Presidential State-Legal Administration

The decision of the Seventh Congress of People's Deputies on the scheduling of the referendum has put into effect the provisions of Articles 2 and 5 of the Russian Constitution on the direct implementation, by the multiethnic people of the Russian Federation, of state power through the submission of the most important questions of state life to a nationwide ballot (referendum). The aforesaid decision of the congress is a juridical fact engendering juridical relations relating to the implementation of the sovereign right of a people to a referendum.

This fact, as analysis of the Russian Constitution, the RSFSR Law "On the RSFSR Referendum," the Congress of People's Deputies Decree "On the Stabilization of the Constitutional System of the Russian Federation" dated 12 December 1992, and the Russian Federation Supreme Soviet Decree "On Measures to Provide for the Holding of an All-Russian Referendum 11 April 1993" dated 14 January 1993, shows, generates the following legal consequences in particular.

1. Russian Federation people's deputies, who, under Article 99 of the Russian Constitution, are authorized representatives of the people, constitute, under Article 105 of the Constitution, the Congress of Peoples's Deputies of the Russian Federation.. In accordance with Parts 2 and 5 of Article 104 of the Russian Constitution, the Congress of People's Deputies is legally empowered to independently settle any question ascribed to the competence of the Russian Federation or adopt a decision to hold a national ballot (referendum).

Having scheduled the holding of a referendum on the basic provisions of the new Russian Federation Constitution, the Congress of People's Deputies has thus, according to Article 5 of the present Constitution, handed this important issue of state life over for settlement by the people. From this moment and during the period until the referendum is held and its results established, the Russian Federation people have become the only subject of the law and authorized to settle the question of the basic provisions of the new Constitution.

In Russsia's existing Constitution and legislation, no organ or official has the right, and cannot have the right, to make a decision on the indicated question by themselves before the referendum is held and before the results of the people's will are established. Therefore the legal powers of the Congress of People's Deputies, enshrined in Part 2 of Article 104 of the Constitution, cannot be used for the adoption of decisions to repeal the referendum, postpone it, or to replace the scheduled referendum by another form of the direct expression of the will of the people. Such actions would lead to the restriction of the rights of the Russian Federation people as the only repository of sovereign state power in the country.

2. The juridical fact of the scheduling of the referendum also means that during the period of the holding of the referendum and the establishment of its results, the Congress of People's Deputies does not have the right to adopt a Constitution of the Russian Federation or to make amendments or addenda to the existing Constitution, affecting its basic provisions. Furthermore, the congress does not have the right to make amendments to the Constitution which would make it possible to repeal the decision to hold the scheduled referendum. The decisions of the congress would also contravene Articles 2 and 5 of the Russian Constitution.

3. In a situation whereby the Russian Federation Supreme Soviet does not ratify the text of the draft of the basic provisions of the new Constitution being submitted to the referendum, then, on the basis of Articles 1, 2, and 5 of the Constitution and the Congress of People's Deputies Decree "On the Stabilization of the Constitutional System of the Russian Federation" the Russian Federation president and the Russian Federation Constitutional Court have the right to do this, either by means of joint or independent acts. The provisions of Articles 121-124 and 165 of the Russian Federation Constitution require such actions from the president and the court respectively.

The refusal by all subjects of the law (the congress, the Supreme Soviet, the president, and the Constitutional Court) to carry out their commitments in implementing decisions on the referendum would mean that the institutions of state power have placed themselves outside the scope of the law.

4. Since according to Article 99 of the Russian Federation Constitution, deputies are authorized representatives of the people, any activity on the part of people's deputies which is directed against the scheduled referendum which has been announced to the people, must be assessed as anticonstitutional.

5. In accordance with Article 4 of the Russian Federation Constitution, action and inaction on the part of state organs and officials who do not fulfill the requirements of the Constitution and laws concerning the scheduled referendum which has been announced to the people, must be considered to contravene the Constitution.

6. In accordance with the RSFSR Law "On the RSFSR Referendum," decisions adopted by the all-Russian referendum possess supreme juridical force, do not need any ratification, and are binding on the entire the territory of the Russian Federation (Article 1). A decision adopted by a referendum can only be amended or cancelled by a referendum (Article 37). In this way, the decision of the people, adopted at a referendum, is also binding on the Congress of People's Deputies.

Lukin, Solzhenitsyn Letters Lament Current Situation

LD0803052993 Moscow Ostankino Television First Channel Network in Russian 1900 GMT 7 Mar 93

[Interview with Presidential Council Member Yuriy Karyakin by correspondent Yevgeniy Kiselev, place and date not given; from the "Itogi" program—recorded]

[Text] [Kiselev] Yuriy Fedorovich, I know that on the eve of the Congress our ambassador to the United States, Vladimir Lukin, sent a letter to Aleksandr Solzhenitsyn, our outstanding Russian writer, who is still living in the United States—we hope just for the time being; we believe that sooner or later he will return to Russia. The letter referred to the situation which has now emerged in our political life. Do you have more details on this letter, and on the answer that our ambassador to Washington received? I know that you have copies of both documents.

[Karyakin] They sent me these letters. In this particular instance, I will adopt the role of a newsreader, which is rather uncharacteristically of me, and read them out.

[Karyakin begins reading letter from Lukin] Esteemed Aleksandr Isayevich: Leaving for the Congress, I would like to spell out, as shortly and clearly as possible, my anxious thoughts on our Russian affairs.

I cannot understand our patriots: the more—quote—patriotically—unquote—they screech, the more they brandish the red banner in close unison with—quote—proletarian internationalists—unquote. Have they forgotten what unbendable Bolsheviks are like, those who have not forgotten anything and have not learned a single lesson? Do not they understand that their patriotic cackling is being cynically used in order to jettison them later, pitilessly and without a second thought, with a stone tied around their neck?

In my view, the main thing on the eve of the Congress is to finally come to an agreement on power in the country. I have always believed that there cannot be featureless and abstract power in Russia, at least for the coming decade. Freedom should appear in Russia not in the Westminster or Berne form, but in the Russian form.

Traditionally, we have a high level of personification in our politics. This means that its form can only be presidential with, it goes without saying, effective levers to prevent repeated commission of the equally traditional Russian crime of arbitrariness. This means that there will be a parliament and an independent judicial authority crowned with a constitutional court with the clear division of powers.

In my view, it is worth going to the Congress to reach agreement on this. Accord begins with an agreement. Can this be reached at the Congress? I don't know. Everyone's eyes are burning very brightly. The vocabulary is frighteningly familiar and it contains so much ominous irritation and uneducated pushiness and recklessness. They really want complete power in whatever guise it might come, whether they hold sway over ruins or a cemetery.

Generally speaking, these March days are as disturbed as the pre- October ones were, but there is no point in moaning. I need to travel. I will arrive and say what, in my view, has happened. Meanwhile, it would be very important to know how you perceive Russia these days. As ever, respectfully yours, Vladimir Lukin. [finishes reading letter]

This is Aleksandr Solzhenitsin's perception: [Begins reading letter from Solzhenitsyn] 4 March. To esteemed Vladimir Petrovich: What is going on in Russia is making my heart bleed even before my return. Later it will hurt even more. Not everyone wants to remember that the country has been plundered since 1930.

In the decades of communism the country reached a complete economic impasse. Alas! Since 1985, they have been trying to cure something which had not been treated but devastated further. When they finally got down to reform which was so necessary, they worked on it without having given it much thought. In 14 months the people were completely immersed in poverty and despair. At a moment like this it is especially dangerous to opt for rash political turns, and above all to come off the path leading towards presidency vested with full power.

Rash political turns! The president who is above and beyond political parties and elected by all people. Yes, the Russian Federation, taking into account its size and diversity, cannot exist without a strong presidential power, a power which is at least as strong as that in the United States. Western parliamentary states needed centuries to gain experience. At present we have nothing even close to it.

Effective democracy cannot exist without people patiently building it from below, at the level of local self-administration and at the provincial level up to the all-Russian level. Decades will be required for this. In order to climb out of this pit we need a stable form of state life.

What is at issue is not just President Yeltsin or the current composition of the Supreme Soviet; at issue is a (?long-term policy), an agreement which prevents Russia from tottering with every gust of wind. State decisions which will now be adopted by precisely these people determine the future of the country perhaps in many centuries ahead. When present politicians all die, the weight of a false decision may still hang down the neck of Russia.

The alternative which will be adopted now, by these very people, will decide the future of the country, probably for one century ahead, when the present politicians will all be long dead, but the burden of a wrong decision will be still tied around Russia's neck. Deputies must not dare throw the destiny of the people onto the gambling table of their mercenary votes; just as the president and his ministers absolutely must not neglect the people's year-long lament that reform is managed wrongly.

When people have been thrown into the abyss of penniless concerns, is it really the right time to stick under their noses garbled referendum questionnaires on clauses of the Constitution? It is even more untimely now to organize elections into a one-off Constituent Assembly, or have meetings, month after month, working out a—quote—ideal—unquote—constitution. During the whole of 1917, ideal electoral laws had been elaborated, and finished just in time for the October coup.

Brezhnev's constitution is not a guideline for people's life. It was created, incidentally, for a perverted state, but I agree with you that the faith that the new text of the constitution will bring salvation is not good for our abysmal condition. If today's people's representatives have even some degree of compassion with the people, it is not triumph over the loathed—quote—adversary—unquote that they will seek, but a stable position of the helm of state which would enable all of us to bring ourselves out of the storm. What do we have now, instead? Hasty politicians, who do not feel for the people's sorrow, who wage furious battles in the stratosphere, unable to see beyond their personal animosities. In the meantime, the pillage has assumed massive, unprecedented scale, Russia's riches are sold out for a song, the country in chaos is irreversibly up for grabs.

Moreover, a dangerous idea of the (?return) of Communism is flying about in the air, as you write, of the same communism which had destroyed, by internal terrorism, 50-60 million of our compatriots, and, without thinking, counting or feeling, left 80 million dead during the German war: 10 to one.

But the dead will never speak again, whereas those alive sometimes lose reason and see future—quote—saviors—unquote—of Russia within the ranks of that self same unrepentant party, of those whose party cards are hidden and sometimes aren't. God forbid, but should Communism ever return, it would only drag our torture into more years, suppress everything that is living, and would eventually die a death, in convulsions, several years later. But it will immediately bring back to us the need for the big lie again, and in all likelihood, the gulag. Another pernicious temptation is also drifting around in their minds—to restore the USSR, that is to start a bloody war in a dozen republics.

On the contrary, we can already see that the current CIS is an ephemeral creation which does not facilitate our salvation. Central Asia and the Transcaucasus have their own individual paths which are far-removed from ours. Ukraine, with short-sighted hatred, is alienating us.

The only real formation which offers us any hope and which could be a stable one is a union of the states of Byelarus, Russia, and Kazakhstan. So Vladimir Petrovich you will find yourself in the middle of the most turbulent events. I wish you success in putting forward your sober and balanced ideas. All the best, Solzhenitsyn. [Karyakin finishes reading letter]

[Kiselev] What are your comments on that letter?

[Karyakin] It is difficult for me to comment, because I agree completely.

[Kiselev] You agree completely?

[Karyakin] Yes, in the present situation, such an unusual situation. I would just like to add the following. I visited Aleksandr Isayevich [Solzhenitsyn] last July. He expressed himself very definitely, too definitely really. For example, he said that Yeltsin is Russian—too Russian. That's roughly what was said.

I would like to add something, to appeal to the deputies who are going to convene in a few days' time: Listen to the voice of the man whose contemporaries we are fortunate to be. Thank God he is still alive. Sakharov is gone: a great loss. I believe and hope that the upcoming Congress will give a lot of thought to what both Solzhenitsyn and Sakharov would say if they were there. This is our level of morality, our threshold which we have no right to cross. We must be up to the challenge.

Military Issues

Further Grachev Comment on Army's Role

PM0603173193 Moscow ROSSIYSKIYE VESTI in Russian 6 Mar 93 p 2

[Interview with Defense Minister Pavel Grachev by Sergey Ovsiyenko; under the "Power and Politics" rubric; place and date not given: "Pavel Grachev: The Army Is the Guarantor of Stability"]

[Text] [Ovsiyenko] Pavel Sergeyevich, the Army has declared itself to be outside politics, yet it is nevertheless the focus of politicians' attention. A struggle is under way for influence over it. What, in your view, is the connection here?

[Grachev] You are correct. Left, right, green, red, blue—just about every political force, current, and faction is now seeking to influence the Army. You must be well aware of the nature of this interest and what has brought it about in the present situation, and I think you will agree with me that the Army remains essentially the sole guarantor of stability and a most important instrument of the state.

This is also well understood by those who are acting from supposedly patriotic positions in an attempt to provoke the military openly into a power play and draw the officer corps into the political struggle. They wish to shatter the Army and break it up; to undermine it from within in order to attain their ambitious aims. And they make use of any means for this—from crude lies, provocative statements, and terrifying calls to arms and to the barricades, to the staging of all manner of political shows. I would advise those people who are playing upon the emotions of the Army and pursuing their single goal—power—to get it into their heads once and for all: Any attempts to appeal to the Armed Forces in the political struggle are criminal and are fraught with the most serious consequences.

We, the military, want just one thing: To continue the reforms begun in the Russian Army, to guarantee people a roof over their heads, to bring our existence and the Army way of life into line with the adopted laws, and ultimately to engage in our main business—combat training. But there is no stopping some people; they are endeavoring to distract the military from strictly military matters and, I repeat, draw them into the political struggle.

I wish to state that the leadership of the Armed Forces will not allow division in the Army collectives and the participation of military personnel in political games. The activity of the Army and the rights and duties of the personnel must be and will be regulated only by the law and the Constitution.

I have already said that it is a mistake for anyone to believe and think that the most acute issue is that of the dachas, or for instance, that somebody somewhere has accused Grachev, found him guilty, and called him to account. I am, of course, prepared to respond to criticism. But I believe that today the issues of the fate of Russia and the fate of the Russian Army are much more important; much more serious.

[Ovsiyenko] The recent All-Army Officers' Assembly has generated a definite political response in the Army and the country. What is your attitude toward it and toward the issues raised at it?

[Grachev] Let me be precise: It took place outside the Army context, on the initiative of the Union of Officers and involving representatives of diverse political currents. Its participants basically comprised people discharged into the reserve on account of their age or their unwillingness to do their service, or those who are assuring everyone that they were discharged on the defense minister's instructions. I personally have discharged just three men from the Armed Forces in all, and not the 30,000 that were asserted at the assembly. That is a lie and a falsehood.

The only thing I wish to stress is: If this assembly will indeed help the Defense Ministry with the social protection of service personnel and in the reform and organizational development of the Armed Forces, then I can only welcome such assemblies.

[Ovsiyenko] And another question on a topical theme: Various political parties and movements are expressing their attitude toward the upcoming referendum on behalf of the Army. But what is your attitude toward it?

[Grachev] I would like to emphasize once again: For as long as it is headed by its present leadership the Army must not and will not deviate either to the right or to the left. The Army will take the center path; it will fulfill only the laws and only the Constitution. It will not participate in political games—this is dangerous....

My attitude toward the referendum? Everything depends on the questions it will ask and the way in which they are formulated. If they are posed precisely and unambiguously, then I welcome the holding of such a referendum. Otherwise, no.

[Ovsiyenko] The Russian Army is now obliged to act the role of a buffer force in areas of interethnic conflicts, which on the whole is not one of its typical functions. How long will this continue?

[Grachev] Everything depends on how quickly the former republics of the USSR form their own armed forces. While such forces are absent, Russia is willy-nilly meeting the obligations of the states which signed the collective treaty on security. I am not a supporter of this situation. The Defense Ministry's policy is aimed at not having the Army sucked into interethnic conflicts. Yet it has already been accused of taking part in various interethnic conflicts and in shedding blood in Tbilisi, in Nagorno-Karabakh, in Baku, in Sumgait... And indeed the Afghan war itself demonstrated that we must preoccupy ourselves with our own internal concerns and prepare the Army to carry out its chief task—the defense of Russia's sovereignty. This is what I will be engaging in.

[Ovsiyenko] Pavel Sergeyevich, the participants in the interethnic conflicts are inclined to accuse Russia of delivering military equipment and spare parts to the opposite side. Are these accusations true?

[Grachev] With the breakup of the Soviet Army, the military equipment of the units stationed on the territory of the former union republics passed into the possession of these states, including in regions such as the Transcaucasus. For example, the 10th Tank Division was transferred to Georgia. But after the start of hostilities there the transfer of military units was halted by decision of the government.

Now the leaderships of the "warring" republics are making attempts to organize deliveries to the national armies of spare parts and subassemblies for the combat hardware which during the course of the war has exhausted its former operational life.

I believe that it is inappropriate to say that Russia will be supplying spare parts for the military hardware, but if this is the case then a government decision is essential. The defense minister himself will never act to bring the armies of the independent countries up to strength from the supplies of the Russian Armed Forces. Our own supplies are not that great. But if such a decision were to be taken, the plants of the military-industrial complex will participate in its fulfillment. On the other hand, it must be remembered that there are such enterprises on the territory of other states which are capable of manufacturing subassemblies and selling them.

[Ovsiyenko] What was the reason for your recent trip to the North Caucasus?

[Grachev] My official travel to the North Caucasus Military District and to the units and subunits of the group of Russian forces in Transcaucasia was the result of the changed geopolitical and geostrategic situation. The North Caucasus Military District will be one of the chief districts whose task it is to contain possible combat operations in the southern sector. In the past it was a rear services district and did not possess combat units. Its chief mission was mobilization in the event of war for the training of reserves and the reinforcement of the first-echelon districts directly involved in the combat operations. During meetings with the heads of administrations of Stavropol and Krasnodar Krays, Rostov Oblast, and the city of Novorossiysk, we agreed to a whole series of practical actions to form a new "combat" district. It is gratifying that all the administration heads understand the tasks assigned to them in connection with the reforming of the district. As far as my inspection trip to Abkhazia and Ajaria is concerned, it elicited, as you know, a statement from Mr. Shevardnadze that I was allegedly making this trip for political motives and without agreement from Georgia. That is not quite the case. Twenty-four hours prior to my visit to the region Mr. Shevardnadze was informed about it by the commander of the group of forces, Lieutenant General Reut.

That is the first thing. Second, my meeting with the personnel showed that people are aware of the tasks confronting them and correctly understand that Russian troops are on Georgian territory—Ajaria and Abkhazia in particular—on a temporary basis. And they are prepared to stay there until such times as a package of documents on the withdrawal of our troops from Transcaucasia is finalized at the government level. As for my statement on the nonwithdrawal of the troops—specifically from Ajaria and Abkhazia—I want to reemphasize that the troops are withdrawn not by the defense minister, not by the Ministry of Defense, and not by the General Staff. The troops are withdrawn from any region by a decision of the Russian Government. What is more, even the redeployment of troops within Russia is effected only with the authorization of the Russian Government.

As yet there is no such authorization, so the unilateral decision by the Georgian Parliament on the immediate withdrawal of the Russian troops from the territory of this region is, for me, no basis for such a move.

Evidently, in the future the North Caucasus District will be transferring to territorial command. The commander of the district's troops—and the district embraces the territory of several oblasts and krays—is the sole commander not only of the Ground Forces but also the direct commander of the units of the other branches of the Armed Forces stationed on the dictrict's territory.

Two airborne and two motorized brigades have been formed on the okrug's territory; an airborne division is being moved here [syuda vyvoditsya], as are units of military transport aviation and army aviation; a motorized brigade is at the formation stage. All these subunits and units will constitute the basis of the Mobile Forces in the North Caucasus region.

The 19th Independent Air Defense Army previously stationed on the territory of the Transcaucasus Military District will be moving almost completely—with the exception of some units—to the territory of the North Caucasus Military District. Its stationing will be effected with consideration for the possible sectors in which violations of the borders of Russian territory may occur. As yet, not all the permanent air defense systems have been installed along the borders of the North Caucasus, but it is covered by units of the Ground Forces air defense.

[Ovsiyenko] This trip to Abkhazia and Ajaria provoked the sharp statement from Eduard Shevardnadze, who accused you of deliberately inflaming the situation in respects which are difficult for Georgia and Russia.

[Grachev] I do not think that the arrival of the defense minister at the Russian military units has directly caused complications in the situation in the region. For some reason, when I visit the Western Group of Forces, for example, the situation in Germany is not exacerbated in any way, and when I go to the Northwestern Group of Forces the situation in Poland does not change....

You see, this is a very real civil war going on here, and there are human casualties resulting from it. More and more people are dissatisfied with the situation. We have to avert this conflict somehow or other. There is a desire for this on the part of the Georgian Government, but to my mind no practical actions can be seen as yet. It seems to me that this statement conceals an attempt to shift the responsibility for mistakes onto other people, and this includes the Russian defense minister and the Russian troops which are apparently operating on Abkhazia's side.

[Ovsiyenko] Pavel Sergeyevich, opponents of the military reform being conducted by the Defense Ministry and General Grachev are making more and more noise. What do you think about this?

[Grachev] This is natural—after all, the difficult process of the organizational development of the Russian Army is under way, the army is being reduced, and its troops are often being withdrawn to places which have not been made ready for them.... These are difficulties which cannot be resolved in a day or two. I am not entertaining radiant hopes that I will establish order tomorrow and everyone will be happy, and will start performing their service well. I believe that as soon as economic and political stability emerges in the country it will emerge in the Armed Forces too. We must withdraw the troops and provide facilities for them by 1995—and "mop" everything up and restore normality within two years of that. We are throwing all our energy into this.

I would not like to say that there is opposition in the Army. There is opposition in Moscow. These are people who wanted to have a Moscow residence permit and have devoted themselves to some kind of activity, and this includes political activity. Let us analyze who is now expressing support for the resignation of the defense minister. First of all there is the deputies group which was created for the duration of the Congress, and its coordinator Mr. Urazhtsev, who organized the unsanctioned hearing of the defense minister. He does not have the right to do this. By law I am answerable to the president, the Security Council, the Supreme Soviet, and the Congress.

All of Urazhtsev's hostility toward me is based on strictly personal motives. Do you remember how he praised me three or four months ago? This man has appeared, and reforms are under way. Everything is going just fine, wonderfully well! And all because Vitaliy Urazhtsev, who was still in the "Shchit" organization, won some officers over to his side and promised them posts, some in the Ministry of Defense.... At that time he brought 25 people to me who were contenders for the highest posts in the ministry. Of the 25 men, I selected three, whom I made my advisers. I entrusted two of them with serious work—holding talks with Lithuania on the withdrawal of our troops and the preparation of agreements for Landsbergis's visit to Moscow. Essentially, they messed up the treaty by making it detrimental to Russia.

I had to have a talk with them, to point out the substantial deficiencies, and to take leave of them. This provoked Urazhtsev's dissatisfaction, although he did accept the fact that the advisers had been discharged from fulfillment of their duties. He accepted it because he had another request to make. He asked for a comfortable three-room apartment and garden—or even better, a little dacha. Naturally, I refused. He promptly took offense once and for all... And straightaway the reforms in the Army came to a halt. It would not be so annoying if he was only slandering me, but what has the Army got to do with it? Maybe Grachev is wrong about some things, and maybe he is conducting the reforms the wrong way. But after all, Grachev is not conducting the reforms alone. The General Staff, the deputy ministers, the commanders of districts and armies, and other commanders are also conducting the reforms. So doesn't that mean that they are all worthless individuals? Let us drive them all out in one fell swoop together with the minister of defense....

I state once again: I was nominated by the president and confirmed by the Congress—27 or 28 votes were cast against me. The Congress instructed me to continue to carry out the reforms, although it noted that they are not proceeding exactly as one would like.

I am not clinging to my post. And I do not envy the man who replaces me in this post. Indeed, is there anyone who wants to occupy the post of minister of defense? But at the same time I do not acknowledge weakness on my part. I intend to carry out resolutely the reforms and the stages of reforms that we have finalized and that have been ratified in the Security Council and the Supreme Soviet, and I will do all this in order to make the Russian Army strong and combat-ready. But this is not a task that can be done in a matter of one day. Second, the people who claim that the military reforms are making no headway never go any farther than their own offices. I react very calmly to this. But at the same time it is unpleasant to hear about people bringing their own personal ambitions into important matters.

There have been repeated discussions with Lieutenant Colonel Terekhov, chairman of the officers' assembly, at all levels up to that of deputy defense minister. Many people criticize me and the Ministry of Defense, but note that none of our opponents have proposed their own program—to provide servicemen with accommodations, for example. No one is putting forward ideas about how to form the new Russian Army more quickly. And when I invite such opponents for a discussion and I say: Alright, gentlemen and comrades, you have a month. Come back in a month with some specific proposals. Do you think anyone came? No. But it is easy to criticize. And it is easy for the deputies of the "Army Reform" group to criticise. Incidentally, the group was created only for the duration of the Congress. I have met with them and proposed that we cooperate, but they find it hard to work. It is easier to talk. And so they have not given us any assistance.

[Ovsiyenko] I cannot avoid asking you about the tragedy in the Pacific Fleet, Pavel Sergeyevich. It is hard to believe that this happened in our times....

[Grachev] The tragedy that occurred in the training subunits of the Pacific Fleet on Russkiy Island as a result of acute intestinal illness will not be ignored by the Russian military leadership. In the immediate future you can expect a serious order by the defense minister on the Armed Forces concerning the dismissal of prominent military chiefs.

Criminal proceedings have been instituted and representatives of the prosecutor's office are working on the island, as well as a group from the Ministry of Defense and the General Staff under the leadership of Colonel General Vladimir Toporov, which is investigating the scandalous outrages that occurred in the fleet.

One of the main reasons for the tragedy was the fact that young men with progressive weight deficiency had been inducted for active service. The responsibility for this can be laid at the door of the independent civilian medical commissions, which are responsible for the health of the draftees, and not on the abolished military physicians commissions. The results of an investigation carried out on my instructions show that as of 15 February a total of 5,200 underweight men had been drafted into the Russian Federation Armed Forces. A second cause was interruptions in the provision of heat and food to the servicemen on Russkiy Island. As a result of the lack of milk and juice and the shortage of butter, the servicemen had recently not been receiving the full food rations in terms of calorific value and quality. Cases of illness arose because of the low level of supervision by the fleet command and the military-medical institutions of various ranks, starting with the Main Military-Medical Directorate....

Army Chiefs To Create Rapid Reaction Forces

LD0503161893 Moscow ITAR-TASS in English 1610 GMT 5 Mar 93

[Text] Moscow March 5 TASS—"Rapid reaction forces will be set up in Russia," the newspaper "ROSSIYSKIE VESTI" reported today. "The setting up of this new type or arm of the service (it is premature to say which) was prompted by the collapse of the USSR and the efforts to form a Russian Army, which began after that. The target of reducing the numerical strength of the armed forces to 1.5 million men had, naturally, raised the problem of how the huge Russian border is to be guarded," the newspaper writes. "It was proposed to set up mobile forces, capable of being rushed to any threatened area. Peace-keeping operations will be among the tasks of the new mobile forces."

"It was decided to form Russia mobile forces on the basis of airborne troops. They will account for 60 per cent of their complement. Included in these forces will be ground troops, marines, some air force and peace-making units," Commander-in-Chief of the Russian Airborne Troops Colonel-General Yevgeniy Podkolzin told the newspaper. But the final form and complement of the mobile troops will be decided by the Russian General Staff before January 1, 1995.

"The bulk of the mobile forces will be deployed in the Volga Region and the Urals Military Area. The process of their formation will begin only after the withdrawal of Russian contingents and units from other CIS countries," Podkolzin noted.

Touching on the peace-keeping tasks of the mobile forces, he said that such experience was now being accumulated by "airborne troops in Yugoslavia under U.N. aegis and on the territory of the CIS—in the Dniester area of Moldova. They are being reinforced by the 27th Motorised Infantry Division, set up specially for these purposes". "Our U.N. battalion is now on duty in the Serb Krajina, on the right-hand bank of the Danube, where fierce battles are being fought between the conflicting sides," the general noted. "The U.N. command has highly praised its actions. The second recruitment of 'peace-makers' was completed a short while ago."

Yeltsin Signs Extra Measures To Protect Servicemen

LD0703160993 Moscow Mayak Radio Network in Russian 1330 GMT 7 Mar 93

[Text] Russia's President Boris Yeltsin has signed an instruction on additional measures to protect the interests of servicemen and their families in the process of the privatization of state and municipal property for privatisation cheques. He has accepted a proposal by the Defense Ministry and Security Ministry MVD [Ministry of Internal Affairs] that the social state fund of social guarantees for servicemen—the guarantee fund—should participate in setting up specialized investment check funds for the social protection of servicemen and service families.

Civil Defense Forces To Recruit on Voluntary Contract Basis

PM0803111793 Moscow KRASNAYA ZVEZDA in Russian 5 Mar 93 p 1

[Vasiliy Fatigarov report: "Civil Defense Will Also Have 'Contractors'"]

[Text] The Russian Federation Government has adopted a decision to extend the effect of its decree of 30 November 1992 "On measures for the stage-by-stage transition to manpower acquisition by the Russian Federation Armed Forces of servicemen on voluntary contract basis" to servicemen of the Russian Federation Civil Defense Forces recruited on contract to serve in the ranks of soldiers, sergeants, and NCO's.

A Council of Ministers decree of 1 March 1993 instructs Russia's Ministry of the Economy and Ministry of Finance, in coordination with the Russian Federation State Committee for Civil Defense Affairs, Emergency Situations, and the Liquidation of the Consequences of Natural Disasters, to allocate funds for the construction and modernization of housing for contract servicemen in the Civil Defense Forces.

'Power' Ministries 'Extremely Worried' by Draft Problems

PM0803120193 Moscow KRASNAYA ZVEZDA in Russian 5 Mar 93 p 3

[Vitaliy Strugovets report: "Army May Be Left Without Recruits. Only 15 Percent of Draftees Expected To Report for Active Service This Year"]

[Text] Colonel General Mikhail Kolesnikov, chief of the Russian Armed Forces General Staff, announced this in his testimony at parliamentary hearings in the White House 2 March. He also said that Russia's power ministries—of defense, security, and internal affairs—are extremely worried by the problems of the fall 1993 draft. In his opinion, a situation might emerge whereby the Army is simply left without recruits.

The main cause of the prevailing situation, according to the chief of General Staff, is the Law "On military duty and military service," recently adopted by the Russian Federation Supreme Soviet. First, under the law, according to an explanation given to the editorial office by the General Staff Main Organization-Mobilization Directorate, too large a proportion of draftees—more than 80 percent of those due to be drafted—are eligible for deferment. Second, and as a result of the switch to the 18-month term of military service under the same law, servicemen from two drafts—the fall 1991 and the spring of 1992—are due to be simultaneously discharged into the reserve. At the same time, Russia's Supreme Soviet plans to adopt the law on alternative service, advantage of which will be taken by many draftees.

Therefore, Col. Gen. Kolesnikov's warning of a potential "catastrophe" is not an intimidation of deputies but a realistic view of the future. In order to avoid this happening, the Ministry of Defense and the Armed Forces General Staff have elaborated a series of proposals. One of them involves bringing a series of articles of the aforementioned law (specifically those providing for deferment in connection with professional studies) into force only in 1997, by which time the process of creating a Russian Army will have been completed.

One last point. Bearing in mind that people in our country love to refer to Western countries' experience, let me cite a few data regarding this problem's solution. Italy drafts into active service 85 percent of draftees, 5 percent are recruited for alternative service, and 10 percent are given deferment. The corresponding figures in the FRG are 50, 20, and 30 percent, while in France they are 58, 22, and 20 percent.

Economic Issues

Nechayev Discusses Economic Reform

PM0503132593 Moscow KRASNAYA ZVEZDA in Russian 5 Mar 93 pp 1, 2

[Interview with Russian Federation Minister of the Economy A.A. Nechayev by Vladimir Gavrilenko; place and date not given: "What Does the Economic Reform Need"—first two paragraphs are introduction]

[Text]

Calling Card: Andrey Alekseyevich Nechayev

Russian Federation minister of the economy. Born in 1953. Graduated from the Moscow State University Faculty of Economics. Corresponding member of the Russian Academy of Natural Sciences.

[Gavrilenko] Andrey Alekseyevich, you are, if I might use the expression, the "veteran" in the present Cabinet of Ministers. You have eyewitnessed and participated in everything that has happened in our country's economy since the course of reforms was proclaimed. So, where have we succeeded and where have we failed during this period? And why?

[Nechayev] I think that the first four months of 1992 were the most successful and, of course, the most difficult. No matter how strange this might sound. We were supported—maybe not on a mass scale but on a broad scale nonetheless—by various social strata of Russian citizens. We succeeded in pursuing a tough financial policy which produced some fairly good results. Following the leap of prices in January, the rate of price growth was noticeably slowed down and there was full justification for thinking that, if this policy were to be pursued, we would succeed in sharply curbing the rate of inflation. You probably recall how we all—and I would say even the government—were amazed by the sharp rise of the ruble's exchange rate, which gave grounds for some more optimistic forecasts. The decline of production slowed down somewhat in March, in other words there were signs that the situation, while remaining extremely difficult, was at least beginning to change for the better...

[Gavrilenko] But then...

[Nechayev] Then, as you know, we experienced that famous crisis of nonpayments and reciprocal indebtedness of enterprises, which was caused by many factors. It seems to me, however, that the most important point was the total inefficiency of our banking system. In conditions of high inflation, two or three months' delays in payments are tantamount to catastrophe. The enterprises are short of money, while the money they receive three months later is completely different, having been devalued by several dozen percentage points. The easing of financial policy, effected under pressure from many political and economic circles, led to what we are seeing today. We failed to ensure a monitoring system, primarily bank monitoring, for the targeted utilization of credits.

On the whole, speaking about the results of 1992, it ought to be said that things are not all that bad. We succeeded in extricating ourselves from the state of chaos and expectations of total collapse—the worries of late 1991. Another positive result is that the role played by money has been enhanced. We have not descended to physical exchange. If an enterprise has money, it has no problems in acquiring material and technical resources...

[Gavrilenko] Andrey Alekseyevich, I personally recall a sentence from Viktor Chernomyrdin's recent speech in Tomsk: "The strategy of the course of reforms in Russia was correctly chosen, but the results could have been different, we could have avoided the wholesale decline of production and the sharp fall of the population's living standards...."

[Nechayev] We have already spoken about this in general terms. Furthermore, it is not my practice to comment on other people's statements, especially those made on occasions when I was not present... I can only say this. I think that it was impossible to avoid the decline of production. It could probably have been slowed down, it could have been reduced, had we been able to organize our relations with the former Union republics earlier, because we suffered for a long time from the disruption of economic ties on the one hand, and from unsettled relations on the other hand.

As regards social costs, I think that our main failure is that, having quite correctly chosen the principle of getting away from supporting all groups of the population at the cost of, say, mass subsidies for the overwhelming proportion of foodstuffs, having quite fairly proclaimed the principle of targeted support, we were maybe not able to completely implement this principle in practice.

[Gavrilenko] Let us leave the past year aside and turn to the future. What lies in store for us?

[Nechayev] No matter how difficult this might be, we must return to the tough and restrictive financial policy with which we began. Because, as I see it, inflation is now our main enemy. When prices rise 25-30 percent a month, we cannot seriously talk about either supporting production, or supporting investment activity, or ensuring effective social protection... At the same time, we have to solve a very complex problem—to galvanize the structural restructuring of production. It has been progressing passively. Or rather, having gotten under way, it was dampened by large-scale credit emission, with support given to almost all enterprises. Now support will be enjoyed only by production units which, as the saying goes, have a "chance of survival," which are potentially competitive.

On the other hand, we face the task of cutting back inefficient production units. The point is to do this now relatively smoothly, relatively painlessly from the social point of view.

[Gavrilenko] What do you mean by "relatively painlessly?"

[Nechayev] There will be unemployment, of course. It is impossible to reorganize enterprises and avoid unemployment. It is necessary to simultaneously and more actively create additional jobs in small businesses, for example by developing the services sphere, where this is easier to achieve, by sensible reeducation and retraining of workers. It is also necessary to simply give them financial assistance. Although I do not think that the unemployment problem will be too acute for us this year. I hope that we will have succeeded in curbing the rate of inflation by the middle of the year, and in halting the decline of production by year's end.

[Gavrilenko] Andrey Alekseyevich, somewhat unexpectedly (or so it seems to me) now there is talk about regional policy in the economic sphere. Does this mean that we had no such policy in 1992?

[Nechayev] You know, it seems to me that here we are dealing with something different. At least, it worries me more. We tried to delegate considerable rights to the regions, and the regions' role in the solution of socioeconomic tasks has been sharply enhanced. At the same time, their responsibility is also greater. Local administrations are carrying a huge burden. Whereas earlier they could quite often point the finger at Moscow and await its decisions, they cannot do this now. The heads of administration and the corresponding local soviets are responsible for a lot. But I am worried by the fact that much more energetic attempts are being made by many regions to acquire certain exclusive rights, and specifically by many regions' claims to special rights as regards exports, disposal of foreign currency, and so on. They frequently damage nationwide interests.

I realize that it is very difficult to balance nationwide interests and broader rights for the regions. The quest for this balance is largely conducted in the Ministry of the Economy. This is one of the most difficult aspects of our work. Eighty-nine territories! There is a permanent need to try and consider statewide interests and, at the same time, be aware of each region's problems and real needs and give them new opportunities. So far we have been able to solve this task with the majority of regions, sometimes in the course of painful discussions, at times in conflict situations. Unfortunately, the provision of benefits and special rights has not always been defined and regulated by economic expediency. The political aspect—and at times the lobby aspect, to put it bluntly—has been too powerful here.

[Gavrilenko] Can you cite any examples?

[Nechayev] Recently, for example, the government apparatus was asked by Yuriy Fedorovich Yarov to conduct a special analysis (I could easily be wrong in my recollection of the figures), but the situation is more or less this: The Komi Republic, for example, received through various channels support amounting to 113 million rubles [R] per capita, while Ryazan Oblast and some other central oblasts received R1 million. And Khanty-Mansiysk Autonomous Okrug received nothing. An injustice was probably committed here, which could be described as a mistake by the government or by the Supreme Soviet, which also adopted decisions of this kind about either various benefits or direct pay-outs.

There are, of course, regions whose leaders are unfortunately accustomed to asking Moscow for everything. At a recent enlarged session of the government, for example, I was sharply and, from my point of view, improperly criticized by Anatoliy Sobchak. He said that it is impossible to reach any agreement with me or the Ministry of the Economy. What is the essence of this typical conflict? Incidentally, I have always treated Anatoliy Aleksandrovich with respect, especially while he was a Union deputy. Unfortunately, he has yet to find his feet in the present situation.

[Gavrilenko] Why do think so?

[Nechayev] For example, he approaches the Ministry of the Economy: Here we have an excellent project, give us R500 billion for starters. But in our country all centralized capital investments total only slightly over R1 trillion. And then Petersburg asks for R500 billion... For all my respect for Sobchak and his project—that is impossible. Or give us an export quota of 1.5 million tonnes of oil.

Well, first I have never heard of Petersburg producing oil and under the Russian Federation president's edict quotas are only given to regions which produce oil. Second, the volumes are such that this cannot be done without robbing someone else. This habit of coming and knocking, canvassing, and receiving as much as possible from the government—that kind of inertia has remained in a number of regions. Although as a whole, I repeat, our course is toward expanding the regions' autonomy.

[Gavrilenko] Andrey Alekseyevich, now for the next question. The military industry is a specific part of the state's economy. Their mutual relations are quite complex. What characterizes these relations right now in Russia?

[Nechayev] The degree of our economy's militarization is colossal but that is no news to anyone. I have in mind all the technological ties, not only the defense complex itself. The mutual relations of which you speak have now been concentrated in conversion. It is proceeding. Not always as effectively as one would like and efforts and investments are not always invested in the directions which could provide the best use of the defense industry's potential. Another question in mutual relations between the defense sector and all the rest of the economy is how to implement the most effective transfer of scientific knowledge and engineering, technological, and other experience to civilian enterprises. Or how to compensate for the social losses of conversion. We are trying to do this through subsidies and preferential credits.

Or take another point. I think we have now as a whole assumed the correct course—concentrating the defense industry. Previously we had weapons of the same type being produced at a quite large number of plants. Now we are trying to retain the production of military output at a considerably smaller number of plants but to give them the greatest possible load. If we are speaking of forms of ownership, they will be mainly "official" plants, that is state enterprises. They will not be turned into joint-stock companies or privatized in the very near future.

[Gavrilenko] It is interesting that a recent speech by Viktor Chernomyrdin contained the following phrase: "We are not a kamikaze government, but a normal Russian government." Are changes forthcoming in the government?..

[Nechayev] As far as I know so far there are no global decisions and there would seem to be none in preparation. I think that there will be a certain redistribution of functions between ministries, since new departments have been created, for instance the State Committee for Industrial Policy. Some functions need to be redistributed between the ministries of the economy, finances, and foreign economic relations.

[Gavrilenko] At one session the president criticized you and the minister of finances.. He even said that "the question of these two ministers is a matter of thought for the president and the government chairman. There was also criticism of Anatoliy Chubays...

[Nechayev] I do not know if there will be any personal changes, it is not for me to decide. Although I do not rule out that in a sufficiently acute situation, particularly if there is a referendum and a connected aggravation of the political struggle, some changes may be made in the government, partly for political reasons. Either to take a step toward potential political allies or to show that someone must bear personal responsibility for the grave economic situation. I do not rule out that changes of this sort could affect primarily the bloc of economic ministers, including myself personally or the minister of finances or the chairman of the State Committee for the Administration of State Property.

[Gavrilenko] Andrey Alekseyevich, what were your feelings regarding the change of the head of government? Do you regret Yegor Gaydar's departure?

[Nechayev]) The word "regret" is not entirely apposite here... There is a complex political life which is measured not only and not so much by human emotions... Of course, I am sorry for Gaydar because we are friends and we worked a long time together and began the hardest stage of the reforms together.

Of course, Gaydar's departure is a loss. He was the ideologist of the reform. That does not mean that the reform should be pursued on the basis of the ideas of just one man. But no one—neither his friends nor his opponents—will dispute that Gaydar was the generator of this reform. But I am sincerely pleased (I do not say this to be diplomatic) that the new premier, Viktor Stepanovich Chernomyrdin, supports what has been initiated, that is, that the continuity of Gaydar's policy is ensured. The main ideas have remained and, moreover, we are now trying to return to that financial policy which we had in early 1992 and correspondingly to avoid the errors made by the government, Supreme Soviet, and Central Bank in the second half of the year.

[Gavrilenko] And one last question, Andrey Alekseyvich: about the struggle over the referendum and the most acute questions of the Russian economy. What are the mutual relations between these two present-day realities?

[Nechayev] It would seem that these two questions are not directly linked. But that is only at first glance. The political problems, including those connected with the referendum and its results, have become so acute largely because of the complex economic situation. There is no doubt that the struggle over the referendum could destabilize the situation still further. It is not ruled out that after the vote the "losing" side will try to neutralize some results of the referendum and the other side to obtain the maximum dividends from them.

All these political cataclysms will undoubtedly have an adverse effect on the economic situation. Because political stability is a powerful factor of economic stability. So the further rocking of the boat will of course be dangerous. And I sincerely believe that it would be necessary, as the president said, to make 1993 a year of the economy, not a year of political struggle. But at the same time it is clear that we cannot go on in a state of constitutional paralysis. We cannot go on without a normal constitution, we cannot stay with the constitution of Brezhnev's time, patched and patched again in a democratic fashion. The main thing is that a clearcut decision must be made as to what kind of political system we are creating. I think that in our specific situation, both economic and political, with a consideration for our political traditions and our political mentality, a presidential republic, implying a sufficiently tough centralization of political power, suits us best. The positive experience of the most diverse countries which have passed through the state of complex economic reform through which we are passing is evidence in favor of that.

Cabinet Discusses Privatization, Oil, Gas

PM0503141793 Moscow ROSSIYSKIYE VESTI in Russian 5 Mar 93 p 1

[Unattributed report: "Session of the Presidium of the Council of Ministers—the Government of the Russian Federation—Held Yesterday: Government Prepares Decision Guaranteeing Citizens' Rights in Privatization and Discusses Measures to Support Fuel and Energy Complex"]

[Text] The session of the Council of Ministers—the Russian Federation Government—which was chaired by First Vice Premier Vladimir Shumeyko, was a very heated and busy one. The Russian President's Edict "On State Guarantees of the Right of Citizens To Participate in Privatization" and the Provisional Statute on Natural Resource Management Licensing Procedure were submitted for the agenda and measures to ensure the steady operation of oil and gas extraction, geological prospecting, and petroleum refining enterprises plus draft statutes on a number of committees and departments were discussed.

The report on the first agenda item was delivered by Vice Premier Anatoliy Chubays. He noted, in particular, that the State Committee for the Management of State Property has proposed establishing, with the aim of safeguarding Russian citizens' rights to acquire ownership of state and muncipal property through privatization checks, that at least 29 percent of the shares of all joint-stock companies created under the procedure for transforming states enterprises be sold exclusively at check auctions no later than two months after their transformation.

Wholesale and retail trade, public catering, consumer service, and freight transport enterprises are, regardless of departmental affiliation, to be privatized without fail by 1 August 1993.

Property management committees are required to publish a list of such enterprises in the mass media within two weeks of the decree's enactment.

Discussion of the procedure for assessing the value of enterprises undergoing privatization generated heated arguments. Many speakers proposed that the value of the fixed capital of enterprises should be reassessed. Anatoliy Chubays, chairman of the State Committee for the Management of State Property categorically opposed this, as the value of facilities auctioned at different times will vary significantly, which will certainly produce protests from those enterprises which carried out privatization earlier.

Viktor Glukhikh, chairman of the Committee for Defense Sectors, proposed that there be a mandatory declaration of income by private individuals when purchasing a tranche of shares in enterprises undergoing privatization.

Russian Transport Minister Vitaliy Yefimov categorically opposed the auctioning of seaports and airports. The fragmentation of ports during auctioning will, in the minister's opinion, lead to the gradual destruction of purpose-designed transport systems.

Viktor Danilov-Danilyan, Russian Federation minister for the environment and natural resources, presented the Provisional Statute on Natural Resource Management Licensing Procedure. A number of comments were passed on this document, and it was resolved that it be sent away for finalization.

Features concerning the supply of oil, gas condensate, and their refined products for export were described by Fuel and Energy Minister Yuriy Shafranik. He noted, in particular, that it is essential to adopt the Council of Ministers' decree exempting state enterprises from customs duties on the export of oil and gas in accord with quotas in order to ensure the steady operation of oil and gas extraction, geological prospecting, and oil refining enterprises and enhance their technical standards. He also proposed that equipment purchased by enterprises for production needs out of their hard currency earnings from the export of sources of energy should be exempt from payment of customs import duty.

The Ministry for Fuel and Energy has prepared a draft Russian Federation presidential edict whereby oil and gas extraction, geological prospecting, and oil refining enterprises are exempt from the requirement to sell part of their hard currency earned from the supply of oil and gas.

In Yuriy Shafranik's opinion, the conference in Surgut showed yet again that the solution of the question of the fuel and energy complex cannot be delayed any longer. Vladimir Shumeyko, who chaired the session, proposed that discussion of the draft edict be postponed, as it runs counter to the decision adopted at the last enlarged session of the Council of Ministers, at which it was deemed inadvisable to continue the practice of exempting enterprises from export customs duties.

However, Vice Premier Georgiy Khizha proposed that they should nevertheless proceed from the requirements of the fuel and energy complex. "If we are in agreement with a fall in oil extraction of 60 million tonnes, there is no need to grant concession to the oil and gas sectors. However, this automatically results in a decline in the export of sources of energy and, consequently, a decline in hard currency earnings too." Georgiy Khizha described such practice as a "merry-go-round policy."

In defending the need to adopt the draft decree Yuriy Shafranik quoted several illustrative figures to the assembly. According to preliminary estimates, oil extraction in 1993 will fall by 60 million tonnes and will amount to 340 million tonnes. If we do not take prompt measures, extraction will be even less, and by the end of the year we will only be able to meet Russia's needs.

In view of the utter acuteness of the problem, First Vice Premier Vladimir Shumeyko, who was chairing the Council of Ministers Presidium session, ruled that all the consequences of the decree should be calculated and that a separate, extraordinary Council of Ministers' session be held on the fuel and energy complex.

Agricultural Sector Needs 1 Trillion Rubles in Credit

OW0503183393 Moscow INTERFAX in English 1653 GMT 5 Mar 93

[Following item transmitted via KYODO]

[Text] The agricultural sector will require one trillion rubles in preferential credits in the first half of 1993 if it is to function normally, says Russian Vice-Premier Aleksandr Zaveryukha. In a Friday [5 March] interview with Interfax, he said that the government had already allocated about 300 billion rubles for agricultural needs, and that credits to the agro-industrial complex would have to be given at a low interest rate, perhaps 25

or so.

Zaveryukha believes that "the countryside will simply not survive without stable state support." Among the measures which the government could take in supporting the agro-industrial complex, said the minister, include the issuing of preferential credits, the lowering of the taxation rate, and the solving of agricultural producers' social problems. According to his accounts, if agricultural prices are brought into accordance with prices on industrial goods, a kilogram of meat would cost 1000 rubles and a liter of milk several hundred rubles. "Nobody would profit from this," he concluded.

Zaveryukha reported on the preparation of a government draft resolution for the stabilization of agricultural production in 1993. The document, he said, envisions in particular the winter storage of additional feed for livestock and the taking of measures to prepare for sowing and harvesting. The adoption of the resolution is expected by mid- March, said Zaveryukha.

New Statute on Economics Ministry Assessed

MK0503120793 Moscow KOMMERSANT-DAILY in Russian 4 Mar 93 p 9

[Nikolay Podlipskiy report: "Statute on Ministry of Economy Approved. Government Limits Ministry of Economy's Rights"; followed by separate, unattributed list of Russian Economy Ministry's new responsibilities]

[Text] Business people around the country have been waiting for a government statute on the Ministry of the Economy for a long time, because it was expected to serve as an indicator of attitudes prevailing in the Russian government, and to confirm or refute statements about the cabinet's continued commitment to creating a market economy. In the opinion of experts the text of the document, officially circulated yesterday, indicates that the now-widened range of the ministry's duties gives it no real opportunity to perform even those tasks that are formally regarded as top-priority for the Ministry of the Economy.

According to the thinking of those who drafted the statute, the Ministry of the Economy should play a dual role within the structure of the central bodies of power. On the one hand, it should take over the function of an intellectual center whose job is to elaborate the principles of the state's economic policy. Some of these principles relate to the strategy for Russia's socioeconomic development, forecasts and analyses, and the determination of forms and methods whereby the state influences the economy. On the other hand, the Ministry for the Economy retains some of the functions of the Union Gosplan [State Planning Committee]. The ministry is charged, for example, with the task of defining the volume and structure of products to be supplied for state needs, fixing quotas for the export of strategic raw material, and deciding on areas where centralized capital investments should be made.

The experts believe, however, that giving the ministry such wide-ranging obligations has not resulted in a widening of its real potential for performing even those tasks that are formally regarded as top-priority for the Ministry of the Economy. Vested solely with the right to issue directives of a particular nature, the ministry has not after all been given effective levers to control the macroeconomic situation in the country. The experts think that the statute perserves a situation whereby the ministry's proposals for improving the economic management structures may either go unnoticed, or take an unreasonably long time being coordinated in the government's central apparatus. For example, the Ministry of the Economy has been asked to draft special-purpose programs to develop priority economic sectors. However, it is parliament that makes the final decisions on the number of such programs and the dates when they should be completed. In conditions whereby enterprises and regions are vigorously lobbying in the Supreme Soviet, this arrangement is more likely to result in an unreasonable increase in the number of programs and, consequently, in the dispersal of funds allocated for their fulfilment.

According to KOMMERSANT-DAILY's experts, the shape in which the statute has been approved reflects differences existing in Viktor Chernomyrdin's government on the methods by which economic changes are to be made in the country. In drafting the document, Economy Minister Andrey Nechayev was obliged to make a compromise in a bid to reserve for the ministry, albeit formally, the role of leading ministry responsible for economic reforms. [Podlipskiy ends]

The Russian Ministry of the Economy Elaborates:

—Comprehensive forecasts of the country's socioeconomic development;

—Government structural and innovation policy;

—Regional aspects of economic development;

—Investment policy main guidelines, including measures to stimulate investment activity;

—Federal targeted programs to develop priority sectors and spheres of the economy;

—State incentives for the efficient functioning of the trade system;

—Proposals on the shaping of foreign economic policy, and on the regulation of foreign economic activity;

—Proposals on general trends in financial, tax, credit and monetary, and currency and credit policy;

—Proposals on measures to regulate monetary turnover, to improve the situation with respect to settlements, to form a securities market, and to ease the movement of share capital.

Media Issues

Ostankino Chief Abolishes Political Director Post

LD0503171193 Moscow Mayak Radio Network in Russian 1600 GMT 5 Mar 93

[Text] Vyacheslav Bragin, chairman of the Russian Ostankino State TV and Radio Company, today abolished the post of Ostankino political director, which has existed since December 1991. In his instructions, the new Ostankino head described as unacceptable the creation of subdivisions and posts with tasks or functions which include exercising censorship or political control over the content of TV or radio programs broadcast by Ostankino channels.

Supreme Soviet

'Trustworthy Sources' on Plans To Remove Khasbulatov

LD0503131893 Moscow ITAR-TASS in English 1251 GMT 5 Mar 93

[By ITAR-TASS correspondent Andrey Palariya]

[Text] Moscow March 5 TASS—Chechen sources are spreading rumors alleging that in the next few days some members of the Russian Constitutional Court, Vice Premier Sergey Shakhray and Deputy Speaker of the Russian Parliament Nikolay Ryabov allegedly intend to "make Russian Parliament Speaker Ruslan Khasbulatov step down or forcibly depose him."

However, ITAR-TASS learned from trustworthy sources that this is another action undertaken by certain Chechen circles who wish "to warm their hands" taking advantage of the conflict between Russian executive and legislative powers and intensify it.

The move also aimed at putting pressure on Chechen public opinion on the eve of the scheduled referendum during which the future of the Chechen state system will be determined.

Apart from this, initiators of the provocation aimed at breaking off another round of talks between Russia and Chechnya expected to focus on a draft agreement on the separation and mutual delegation of powers by both sides, the same source said.

Shakhray Urges Support of Khasbulatov

OW0603141293 Moscow INTERFAX in English 1359 GMT 6 Mar 93

[Following item transmitted via KYODO]

[Text] During his meeting with journalists on March 6, the Russian Vice Premier Sergey Shakhray declared that it is necessary to support Ruslan Khasbulatov at the forthcoming Congress of People's Deputies in case an issue about his reelection is raised. Shakhray believes that "if we fail to support Khasbulatov, then another, a stronger and authoritative person, can come to power, now there is at least possible flexibility." According to Shakhray, earlier presence of wings, communist and democratic ones, ensured stability in Russia's parliament; now the situation has changed and the communist wing is holding the parliamentary structures under its control.

Shakhray expressed the hope that the legislative and executive branches will reach an agreement in any form at the forthcoming Congress because currently "we do not speak about whose power is better but about how to swim to the bank." Shakhray declared that the executive and legislative powers can accuse each other of violations of the Constitution and the number of these violations "exceeds hundreds of times." The Vice Premier also declared that the President, the Moscow and Russian governments will ensure security of the upcoming Congress.

Shakhray Denies Making Threats

OW0703133393 Moscow INTERFAX in English 1315 GMT 7 Mar 93

[Following item transmitted via KYODO]

[Text] Vice Premier Sergey Shakhray in an interview with Interfax on Saturday said Speaker of Parliament Ruslan Khasbulatov was under pressure now that the balance in the House was upset. That is why he is in need of support but not accusations or threats, Shakhray said.

On recent speculations caused by a report from Chechenpress news agency about alleged threat to Khasbulatov, himself Chechen, from some members of the Constitutional Court as well as Deputy Speaker Nikolay Ryabov and Shakhray himself, he said the absurdity of those allegations must be clear even to their authors.

He denied ever having made any insultating statements, let alone any threats, in respect of Khasbulatov. Instead, Shakhray spoke of sharing understanding with the Speaker on national-administrative issues since Shakhray's appointment in charge of the Government Nationalities Committee.

Congress of People's Deputies Agenda Approved

LD0503160093 Moscow ITAR-TASS in English 1546 GMT 5 Mar 93

[By ITAR-TASS parliamentary correspondent Ivan Novikov]

[Text] Moscow March 5 TASS—The Russian parliament on Friday [5 March] approved an agenda of the Eighth Congress of People's Deputies to be held on March 10, 1993.

The agenda will consist of two questions:

1. On the all-Russia referendum on April 11, 1993

2. On the observance of the constitution (fundamental law) of the Russian Federation by the supreme bodies of state power and officials.

Estimate of Congress Expenses Endorsed

LD0603110793 Moscow ITAR-TASS World Service in Russian 0945 GMT 6 Mar 93

[By ITAR-TASS parliamentary correspondent Ivan Novikov]

[Text] Moscow, 6 Mar—The Eighth Extraordinary Congress of People's Deputies will cost Russian taxpayers 252.9 million rubles. At today's joint meeting of the chambers, the Supreme Soviet endorsed the estimate of the cost to parliament of organizing and holding the congress. The parliamentarians agreed to the expected costs on the assumption that the congress would last for two days. What happens if it lasts longer? In that case, according to Aleksandr Pochinok, chairman of the parliamentary budget and planning commission, the costs will rise by 40 million rubles a day.

The Supreme Soviet also adopted today a law on the state protection of the Russian Federation's supreme representative organs of state power. The document records the order according to which the number of protected bodies includes the Congress of People's Deputies, the Supreme Soviet, the CIS states' Interparliamentary Assembly, and the chairman of parliament from the moment of his election and until the expiry of his term of office. Ensuring the security of deputy chairmen of the Supreme Soviet, chairmen of the chambers, and people's deputies is effected by decision of parliament.

According to the legislative enactment, a special subunit under the Supreme Soviet, the Protection Department [Departament okhrany], which operates with the authority of a federal body, is the federal body for the state protection of the Russian Federation's supreme representative organs of state power.

'Closed Session' Discusses Security During Congress

LD0603142993 Moscow ITAR-TASS World Service in Russian 1355 GMT 6 Mar 93

[By ITAR-TASS parliamentary correspondent Ivan Novikov]

[Text] Moscow, 6 Mar—This afternoon there was a closed session of the Presidium of the Russian Federation Supreme Soviet.

As an ITAR-TASS correspondent learned, it discussed issues of ensuring public order while the Eighth Extraordinary Congress of People's Deputies is being held. They heard information from Pavel Grachev, Viktor Barannikov and Viktor Yerin, the ministers of defense, security, and internal affairs.

According to participants, discussion at the Presidium session of the issues of preparations for the Congress took place in a calm and businesslike atmosphere.

Decision on 1993 Budgetary System Postponed

LD0603145693 Moscow ITAR-TASS in English 1453 GMT 6 Mar 93

[By ITAR-TASS parliamentary correspondent Yuriy Filippov]

[Text] Moscow March 6 TASS—The Russian Supreme Soviet considered the second reading of the bill "On the Budgetary System of the Russian Federation for 1993" today.

Aleksandr Pochinok, head of the parliamentary Commission on the Budget, Plans, Taxes and Prices, who presented the bill, told deputies that after the first reading the commission received 219 amendments to the bill.

Among the all-important proposals he singled out the one demanding that the size of deductions from the added value tax to the federal budget be equal on the entire territory of Russia and fixed it at 50 per cent of the value added tax.

Deputies who took the floor at the session, proposed not to discuss the draft budget on the whole as well as the amendment on the size of deductions from the value added tax today but to wail until the Congress of People's Deputies opens and consult with people's deputies representing Russia's regions who will convene in Moscow in three days. Parliament members supported this proposal.

Parliament is expected to return to the discusion of the draft budget after the Eighth Extraordinary Congress of Russian People's Deputies winds up its proceedings.

Ryabov Comments on Yeltsin's Draft Agreement

LD0503193693 Moscow Russian Television Network in Russian 1549 GMT 5 Mar 93

[Speech by Nikolay Timofeyevich Ryabov, first deputy chairman of the Supreme Soviet, at the 5 March session of the Supreme Soviet at the White House—recorded]

[Excerpts] Esteemed Presidium, esteemed People's Deputies. You are aware that the president of the Russian Federation, concerned about the current political situation, has shown initiative, and submitted a draft agreement between the federal bodies of legislative and executive powers of the Russian Federation, aimed at stabilizing the constitutional order for the period until a new constitution of the Russian Federation is adopted. I must advise you that this draft agreement emerged after the meeting between the president and the chairman of the Supreme Soviet of the Russian Federation, and the chairman of the Constitutional Court, held on their joint initiative. [passage omitted]

As a basis for achieving consensus, the president, as is known, proposed a text of a conciliation document on 23 February entitled by its authors: An Agreement of Federal Bodies of the Legislative and the Executive Powers of the Russian Federation Aimed at Stabilizing the Constitutional System Until a New Constitution is Adopted. So, the aim of the agreement is to stabilize the constitutional system, and a mechanism for achieving such stabilization seems to be in redistributing the powers of the authorities within the framework of the existing system of state power, which is consolidated in the Constitution and Russian laws. Let us see now how well the aims stated in the draft agree with the content of the draft itself. I believe copies of it have been made available to you. The existing constitution says nothing about an agreement between the branches of power. It registers only three instances of a representative body of power participating in establishing treaty relations. First, ratification and denunciation of international treaties, articles 104 and 109, and the establishment of treaty relations between the Supreme Soviet and legislative bodies of other states, article 115. Moreover, modern constitutional law also says nothing about an agreement between the branches of power. From this point of view, the proposed draft agreement is a significant innovation in the sphere of the constitutional system. The idea of the agreement is that the president and the Supreme Soviet exchange certain elements of the existing legal status in accordance with something like the following principle: You scratch my back and I will scratch yours. Any exchange if it is backed by an appropriate agreement and concluded between equal partners, at least, presupposes a certain equivalence. Can one say, however, that the principle of equivalence is being observed in the draft agreement published?

For example, analyzing the range of duties which the Russian Federation president takes upon himself according to the agreement, it should be noted that all of them represent only an area of presidential activity within the framework of the powers given to him by the existing Constitution of the Russian Federation. Thus, the draft agreement is only a unilateral obligation of legislative power. For example, what does the president guarantee? To ensure that decrees and instructions of the president, and decisions and instructions of the Council of Ministers and the Russian Federation Government are strictly in line with the constitution and Russian Federation laws, as is written down in clause 1-3.

That principle is, however, enshrined in the existing Constitution. I read: Decrees of the president of the Russian Federation cannot conflict with the Constitution and laws of the Russian Federation. Moreover, it states the following: In the event of a presidential act conflicting with the Constitution, or with a law of the Russian Federation, the norms of the Constitution and the law of the Russian Federation shall operate. This is part two of article 121/8.

It should be noted that in accordance with the agreement, the president of the Russian Federation—pay close attention to this—acts as head of state. Yet, to grant the president such a status is at variance with the Constitution of the Russian Federation. Article 121, sub-section 8 [so znachkom 8] which says that the president is the highest official and the head of executive power. Incidentally, in that draft agreement, the parliament is also named differently from what is written in the Constitution.

That the president of the Russian Federation is head of state is something with which one could agree. In that case, however, we would have to change the constitutional powers of the president himself and the constitutional foundations of his interaction with the government. For example, the president's right to legislative initiative would have to be abolished. We would have to review his right to sign laws, and we would have to exclude from the Constitution the provision that the president guides [rukovodit] the activities of the government and that he is empowered to abolish or suspend the right to legislative initiative, and other powers. Item 1/1 of the agreement says the president of the Russian Federation shall refrain from interfering with federal legislative power. Note that such interference—in quotes—consists, under the Constitution, first, of the president having the right of legislative initiative; second, of his right to sign or veto laws and of his being able to issue decrees of normative character. From an analysis of the other obligations envisaged by the draft agreement, however, one cannot conclude that the president renounces the rights I have just enumerated. The new (?provision, three,) comprises just three things: that the right of legislative initiative is not to be used to introduce bills which would upset the balance of powers; and also that conditions must be created which will enable the Council of Ministers to function effectively. Evidently this last provision has prompted certain very active analysts—in quotes—to say that by his draft, the president has initiated the creation of a government independent of the president himself, and also of the Supreme Soviet, and consequently also independent of the political struggle and capable of carrying out a scientifically-based economic policy.

If the text of the agreement is examined, a strong suspicion emerges that the government will really become independent of the president. It is the president himself who should ensure that the system of rule is in accordance with the resolutions and instructions of the government, and the Russian Federation law on the constitution—article 1.3—and that it is capable, as at the present time, of issuing decrees completely independently in the economic sphere which are in accordance with government decrees and draft laws in the budget sphere.

At the same time, the Supreme Soviet is losing the means of influencing the government's economic policy, which it possesses at the present time. The Federal Property Fund, the Pension Fund, the Central Bank, and other institutions pass to the government. [passage omitted]

With that in mind, we must conclude that implementation of the president's proposals, in the form that they have been drawn up in section three, which the president sees as the key section, will be in direct contravention of the Constitution of the Russian Federation and of laws and legislative acts of Russia. We must also note that the existence of the Russian Fund is not in itself absolutely essential. I have already said that Article (?120) of the Law on Property states that the rights of a person acting on behalf of the owners can be given to any person, but for this the special authority of the Supreme Soviet is required. The very fact, however, that a ruling by the Supreme Soviet is required for this defines the sphere of these powers, that this body should be directly, immediately linked to the Supreme Soviet.

Thus, while recognizing the possibility in principle of taking certain reorganizational measures in the sphere of state property management, there should nevertheless be an appraisal of the proposed total abolition or transfer of structures. The performance of all executive functions in the sphere of federal property management exclusively under the jurisdiction of the government leads to a disturbance of the established balance between legislative and executive power both at a federal level and at other levels. [passage omitted]

I will continue to analyze the draft agreement. The Congress and the Supreme Soviet, unlike the president, have to change and reduce their powers to a significant degree. Some of the president's demands result from the need to respond promptly to the changes in the socioeconomic situation. Thus, it is put down that legislative initiatives aimed at safeguarding economic reform should be examined as a matter of priority, within one month. However, the text of the draft agreement itself does not make it clear what the consequences would be if a draft law sent in by the president, or even a legislative initiative, is not examined within one month. In this case, can the president, for example, introduce the legislative initiative by his own decree—as he used to do until recently on the basis of so-called additional powers? As I have already mentioned before, some of the president's demands encroach significantly not just on the Supreme Soviet's executive and administrative powers, but also its rights of supervision [kontrolnyye prava], particularly in the economic and the social sphere.

The transfer of the pensions fund to the government's jurisdiction can result in a repeat of the situation we had at the end of 1992, when the government tried to use the money from the pensions fund to patch up holes in the budget by way of an interest- free credit.

Special attention should be paid to the president's desire to change Article 104 of the Constitution, which deals with the right of the Congress of People's Deputies to consider and make decisions on any questions falling under the jurisdiction of the Russian Federation. It is no coincidence that in several of his speeches the president laid the blame for the nonexistent crisis of power on the so-called absolute power of the Soviets, which in his view strive to substitute themselves both for the government and for the president. No doubt, the provisions of Article 104 run counter to the principle of division of power, if the latter is to be understood formally. It was then that the Supreme Soviet adopted this amendment, but the Congress turned it down. [sentence as heard] However, I would like to remind us all that this article appeared at the time when Russia's democratic public used the slogan, All Power to the Soviets, to fight against the absolute power of Communist Party structures. It was thanks to the existence of this very article that the declaration of state sovereignty of the RSFSR was adopted, which later played a significant part in the development of the political situation in 1990 and 1991. The Congress has not adopted any other resolutions based on this article—we have to say it bluntly. Let them provide some proof. So, the desire to change Article 104 can only be explained by the presidential team's apprehension that, under the influence of the deteriorating socioeconomic situation, the Congress of People's Deputies would acknowledge that the experiment to introduce the post of president of the Russian Federation with virtually unlimited rights and powers was not a success. They might decide to change the legal status of the presidency itself along the lines proposed in the draft agreement itself, where the president is described as head of state, or as proposed by Ruslan Imranovich Khasbulatov in Novosibirsk: namely, that the president is the head of state, while the government is accountable to parliament.

Neither the duties which the president ascribes to himself nor to the Supreme Soviet are equivalent in the instance of defining the guarantees of the agreement. Thus, if the agreement is abided to by one side, and then the president resigns of his own free will, following the decision of the Constitutional Court; should the Supreme Soviet fail to abide by the guarantees—see clauses 5.1 and 5.2—the president will disband the Supreme Soviet by force. Even today some members of the president's team are voicing the opinion that the Constitutional Court, elected by the Congress alone, is not legitimate enough; this is the court which refused, inter alia, to impose a complete ban on the Communist Party and to declare it a criminal organization. Therefore, it is very unlikely in such a situation, that should the Constitutional Court adopt a decision on complying with the agreement, which would go against the president, the latter would resign on his own, unequivocally and unconditionally. On the other hand, should a decision be taken to disband the Supreme Soviet, the agreement has it that this will not be automatically followed up by disbanding the Congress. De facto, however, the Congress will be deprived of the possibility to convene to elect a new Supreme Soviet, because all officials of the Supreme Soviet will have resigned, according to this draft. Therefore, the document put forward by the president—a so-called agreement—can hardly be considered such in the full meaning of the word agreement. One may say that the president has merely dictated his conditions, otherwise—and what follows is a quote from him—and in spite of everything, I favor continuing the preparation to the referendum today. Unfortunately, today there are no secure guarantees to the effect that the accords will be reached, and, more importantly, complied with. The draft agreement submitted by the president has very little in common with an agreement; in the same way, it is far from being constitutional, or aiming, as it were, at stabilizing the constitutional regime, even to a small degree. [passage omitted]

As is known, resolutions are more often than not adopted by a simple majority vote. At the same time, there are a number of articles contained in the text of the draft agreement which are clearly aimed—or not clearly, but aimed—at a review of the constitution and at amendments and additions to the constitution. What is no less well known is that these are all adopted by a necessary majority vote. Of course, it is very difficult to suppose that, let us say, Article 104 will be amended and 695 votes will be amassed. Therefore, in breach of the existing regulations and outside of the Constitution this simplified procedure is put forward connected with the adoption of the resolution. In turn, it has to be noted that belittling the procedure of forming the Constitution reduces the Constitution itself to the level of an ordinary legislative act, and by the same token impacts negatively on the constitutional structure. Finally, the president proposes setting up a constitutional assembly or gathering for the adoption of the new Constitution. At the same time it is virtually announced to the existing Russian Federation people's deputies that their professional, civic, and political unsuitability for adopting the new Constitution is obvious, despite the fact that the draft new Constitution is being worked out by the constitutional commission, whose chairman is the president. Thus, the president's draft agreement is not about the stabilization of the constitutional structure, but, on the contrary, about its substantial destruction, or, to put it in a milder form, about its substantial transformation, by means of its destruction. In this case, if the Supreme Soviet adopts this agreement as a basis, then it will sign a death sentence for itself, and not only for itself, but for the whole system of nascent representation in Russia in general. This is for the very reason that the executive estate can exist without the Constitution and outside its framework, while the parliamentary system depends on the constitutional system and both of them are extremely closely intertwined. Just a few words on what the positive proposals can be, what can nonetheless be extracted from the draft agreement.

I would have to admit that there are problems with overlapping functions of the legislative and executive authorities, and that coordinating the process of their delimitation is necessary. However, to avoid constitutional and legislative chaos, to avoid the balance of authorities really tipping with abuses of power that will ensue and become perilous for society, the process of the coordinated delimitation of functions should be organized as a process, and not as a one-off act of abolishing or resubordinating structures in favor of executive authority. Acting in line with Stalin's principle—man equals problem, no man equals no problem—will mean treating our society in the same way. Guided by the aim of ensuring the balance of authorities in every function clustered in Section 3 of the agreement, we must ensure that the process of the civilized divorce must be carried out separately for each function, but not in one package as it has been suggested. Because the sides have not done any coordinated preliminary work to delimit these functions after the president presented his draft agreement, the general idea of the agreement must be acknowledged, in essence, as mutually acceptable. The next step must be to set up conciliatory commissions on every function. I spoke in detail of this—on the bank, on managing property, and on other functions. Conciliatory commissions should work out new mutually acceptable rules of administration, which would comply with the following principles: delimitation of powers, expediency, a higher standard of implementing functions, and compulsory legality. Then restructuring and necessary changes and addenda to the present legislature should be suggested on this basis. As for the presidential proposal to have structures resubordinated in one package and in one shot, without an agreed divorce process in the interests of the state, this must be regarded as unacceptable, leading to legislative chaos, to the violation of the balance of authorities and to unpredictable aftermaths. Thank you for your attention.

Shumeyko Reacts to Ryabov

LD0603011593 Moscow Russian Television Network in Russian 1900 GMT 5 Mar 93

[Remarks by First Vice Premier Vladimir Shumeyko at 5 March session of Russian Supreme Soviet in the White House in Moscow—recorded]

[Text] Esteemed People's Deputies! Nikolay Timofeyevich [Ryabov], thank you very much, it was a profound analysis; I can agree with it to a large degree, but I would like to speak about something else.

Esteemed members of the Supreme Soviet, we have naturally never considered this draft agreement as a final document. This draft agreement was simply a proposal aimed at seeking and finding a convenient formula. When we, two working groups, discussed the document together, naturally from the very beginning there were lots of various questions. Why is this document called an agreement? Let's not call it an agreement, since what agreements can one have on the Constitution? However, I would like to draw your attention to the fact that it is not called a constitutional agreement, but simply an agreement between the legislative and executive powers on the stabilization of the constitutional system.

So this is certainly not a constitutional agreement. Naturally, when we as the president's party were discussing the form for this document, we never insisted that it should be an agreement. Any form was proposed. If you do not like the word agreement, then let's call it a protocol. If you do not like protocol, let it be resolution. If you do not want resolution, let's call it law; in other words, let's find a normal and convenient form for the document which would have a normal format and which would make it clear to everyone what this document says and why. As for its form, it is directly connected with its contents, since the contents determines the form. Nikolay Timofeyevich had a very analytical approach to this draft and reported to the Supreme Soviet on all its weak points and possible misunderstanding.

But how did we look at this matter? As head of the working group on the preparation of this document, I raised this question at the very beginning, and I would like to say this to you now, People's Deputies and members of the Supreme Soviet. In principle, the main idea of the document should be as follows: Two parties—the president and the Supreme Soviet, or the Congress—without cancelling or taking away any powers from each other, and without touching upon the Constitution in any way, but leaving everything enshrined in the Constitution untouched, should simply agree for a certain period of time not to use their powers specified in the Constitution in favor of the government. [noise and laughter in the audience] No matter how funny it might seem, this is indeed the case at present. Why in favor of the Government? Because all of you, both you and us, are talking about the same thing...

[Khasbulatov, interrupting] Attention, please. Could you give the speaker an opportunity to finish?

[Shumeyko] We are always talking about one and the same thing: let's have a year of stabilization; let's not engage in political squabbles; let's do some work, etc. We are always talking about this—let's work, let's do something, and give something. The government—you know, a new premier has been elected recently, and a government has been appointed. It held a large conference and elaborated a plan. The plan should work. Every day the Government comes across a situation when it does not have enough independence to make decisions. Therefore, we decided to use the form of these documents in order to find such an agreement, under which some steps should be taken in favor of the government.

If, from the Supreme Soviet's viewpoint this is not possible, then it is not possible. Nobody insists that this draft—I would like to stress this again—should be regarded as a final document. The only thing which would be desirable today is for the members of the Supreme Soviet to decide on one thing: on whether a document of this kind is possible or not possible in general. If a document like an agreement is possible, then two working groups should be instructed to prepare and present it. If it is not possible, then it should not be adopted.

Esteemed members of the Supreme Soviet, I can understand your reaction, but could you wait until I finish? The point is that a certain period of time has already passed, and only today one of the drafts of this document is analyzed and presented to you. However, I think that the time that has passed could have been used by the two working groups and a report on a joint document could have been made to you. Already the joint document should have been analyzed and criticized, and something should be done on this document. But since the time has gone I would like to ask you today, esteemed members of the Supreme Soviet, to finally decide: Should we seek such an agreement or not? Judging by your reaction, it seems as if the government does not need this document. If you think that this document is not needed, then you should make an appropriate decision and we will continue to work in the present way and with the same success. If you decide—and I would like to stress it again—that such an agreement can be sought, you should entrust the working group and it will present it to you. I can guarantee to you that, perhaps, it will have nothing in common with what you have just heard from Nikolay Timofeyevich and what is written here. However, I think—you see, when one side thinks it is necessary and the other thinks it is not, you, the Supreme Soviet, are like judges. In my opinion, you should try and find such an agreement.

Nevertheless, I do not have any right to put pressure on you or assume anything. I am only entrusted by the president's side to report to the Supreme Soviet that in this particular case the executive branch of power is interested in any form of agreement, and I have explained the idea of the agreement to you. The idea of the agreement should be in making the work of the government on what it is doing at present easier. To this effect, you should simply determine your position. That is all I have to say. Thank you.

Joint Meeting Adopts Resolution on Government Powers

LD0503164793 Moscow ITAR-TASS in English 1646 GMT 5 Mar 93

[By ITAR-TASS parliamentary correspondent Ivan Novikov]

[Text] Moscow March 5 TASS—A joint meeting of the Russian parliament chambers adopted today a resolution on draft agreement of Russian federal legislative and executive powers to stabilize the constitutional system in the period before the adoption of the new constitution, which was proposed by President Boris Yeltsin.

The parliament decided to "inform the president, the Supreme Soviet has no right to consider normative acts or other documents aimed to change the constitutional power balance, in accordance with the resolution of the 7th People's Deputies Congress 'on stabilization of the Russian constitutional system'".

Supporting the idea of consolidation of independence and increase of responsibility of the Council of Ministers for overcoming the economic crisis, the Supreme Soviet instructed a number of parliamentary committees and commissions to consider the president's proposals on the improvement of interaction between the executive and legislative powers in fulfilment of economic reforms, including the sphere of banking activities and off-budget funds.

Debate on Draft of Presidential Accord Continues

LD0503132093 Moscow ITAR-TASS World Service in Russian 1154 GMT 5 Mar 93

[Report by ITAR-TASS parliamentary correspondent Yuriy Filippov]

[Summary] Moscow, 5 Mar—Today, the Supreme Soviet debated the draft of the presidential accord between Russia's federal authorities. Yevgeniy Ambartsumov, chairman of the Supreme Soviet international affairs committee, suggested that deputies should not reject the idea of accord—it should be underpinned by a proper legal and constitutional basis, he said. A representative working group of deputies could present to the Congress a draft document setting out decisions agreed upon with the president. A coalition government of civic consensus would be a way to emerge from the crisis by political means, he added.

Mikhail Mityukov, chairman of the Supreme Soviet legislative committee, said the draft presidential accord was unacceptable, as it contradicted the Constitution and ran counter to the decisions of the Seventh Congress of Russian People's Deputies, but that it "contained a number of ideas that could be made use of in the process of settling the current political crisis." These ideas, opined Mityukov, should be used during the work to draft a Russian Federation law on constitutional changes and amendments.

"Summing up the results of the discussion, Ruslan Khasbulatov, Russian Federation Supreme Soviet chairman, suggested that the Russian Federation Supreme Soviet conciliation commission and the legislative committee should be instructed to elaborate an appropriate document that would express the Supreme Soviet's approach in principle toward the idea of consensus between the federal authorities and ways to resolve the current political crisis. It is thought that the provisions of this document will be endorsed by the Supreme Soviet at its evening session today."

Chubays Reports on Privatization to 5 Mar Session

LD0603171293 Moscow Russian Television Network in Russian 2037 GMT 5 Mar 93

[Report by Deputy Prime Minister Anatoliy Chubays at the Supreme Soviet session in Moscow on 5 March; from the "At the Russian Supreme Soviet Session" program—recorded]

[Text] Esteemed Ruslan Imranovich Khasbulatov, esteemed people's deputies. The question today is our account of the progress of privatization and the implementation of the state privatization program for 1992.

I would like to remind you that the real start of the work for 1992 was connected with the Supreme Soviet's ratification of the basic articles of the state privatization program at the end of December 1991. If you recall, at that time, that document was jointly ratified by the presidium of the Supreme Soviet and the president, and thus, as it was ratified on 30 December 1991, we had the chance to commence our real work on privatization from the very beginning of 1992, from 1 January.

We started from practically nothing. Statistics for that period show that in Russia, the overall number of private enterprises numbered two or three dozen, primarily in the trade and catering spheres. It is now clear that the fact that we managed to start from the very beginning of the year, on the basis of the decision already indicated, gave us a chance to develop at one and the same time a normative legislative basis and to get on with the actual process of privatization.

Because of this fact, having started with dozens of enterprises, by the end of 1992 we can already report tens of thousands of enterprises where privatization has been completed. We consider that all of this was possible primarily thanks to the fact that during this period, a real normative and legislative base was established—and today it is fairly well-developed and complex—as a basis for the privatization process.

After long discussions here in the Supreme Soviet a new form of the law on privatization and the state program for 1992 were adopted and several crucial Supreme Soviet resolutions, and following on from these, 12 key presidential decrees, 68 government resolutions and a number of instructions from the State Committee for the Management of State Property which need not be enumerated. There were quite a few of them. All this gives reasons to think today that a normative and legislative foundation for the privatization process in Russia was created in a very tight period of time. On the basis of these normative documents we expanded the privatization process in practice.

I would like to give you some figures to demonstrate the dynamics of this process. Since the beginning of April or end of March a real process of submitting applications for privatization and satisfying these applications started. If in April-July approximately 3-3,500 applications passed through the whole system of privatization bodies in Russia, in August-November their number already increased up to 6,000 a month and in December the total number of the processed applications amounted to 12,000; 12,000 enterprises a month is the dynamics and the speed which we achieved by the end of 1992.

Thus, in total by 1 January 1993 the privatization of 46,815 enterprises in Russia was completed. The involved industries, and that was mainly small privatization—shops, catering, consumer services—by 1 January 1993 the proportion of private enterprises amounted to 32, 34, and 36 percent. These were the approximate levels as of 1 January. I can tell you straightaway that during January and February the situation has moved considerably forward, but we are talking about the report for 1992 here.

The dynamics of the money component of privatization, the dynamics of revenues from the privatization looks approximately the same. During the first six months we received only 10,000 million rubles [R] in revenues and by the end of 1992 the total value of revenues into the budgets at all levels on concluded deals amounted to R157,000 million. It must be said that, naturally, this figure, the total amount, is not immediately transferred into the budget. This is a total volume of the concluded deals, of the treaties signed on privatization. As you know, the law gives a determent of payment to labor collectives and therefore, the real amount is reduced.

At the same time, it is clear that nevertheless all these sums go into local budgets. You will recall, that, according to the requirement of the state program, first of all they are used for the purposes of social protection and besides for the purposes of developing and maintaining the urban infrastructure.

Regions have emerged which are carrying out privatization fairly briskly, and which are leading the field in this area: They include Smolensk Oblast, Orel Oblast, Nizhniy Novgorod Oblast, St. Petersburg—especially recently, St. Petersburg has moved forward quickly—Penza Oblast, Khakassiya, Leningrad Oblast, and others. As always, there are also regions which are lagging a long way behind. These include North Ossetia, Karelia, Kaliningrad Oblast, Chukotskiy Okrug and Yamalo-Nenetskiy Okrug. From the list of these regions you can see that in some areas this is perfectly understandable and can be explained by objective reasons, but in others work has simply not been completed.

In this way, relying on real undertakings and real results in the sphere of small-scale privatization, we began in the second half of 1992 to develop large-scale privatization, in accordance with the task set by the state privatization program. In order to begin this—the program required us to do so in a extremely short time—we issued a presidential decree, Decree No. 721, which passed through the Supreme Soviet by way of a fifth Congress decision, and on the basis of that decree we developed the privatization of large and very large enterprises, enterprises with company capital worth more than R50 million, employing more than 10,000 people. There were 5,613 of these enterprises in all in our register and today I am ready to report to you that the privatization of 2,400 of them is fully completed.

That means that the collectives chose one of the three options for becoming a joint-stock company and adopted it; it means that they prepared and adopted a privatization plan and rules; it means that those documents passed through the local soviets and were registered according to the established legal procedure. I think that in the next one and a half or two months we will complete the same procedure for the remaining number of very large enterprises.

As you recall, in accordance with the tasks of the state privatization program, we were given a deadline of the first of October 1992 to allocate personal privatization contributions or privatization checks to citizens, which has been done. In accordance with the presidential decree issued on 14 August and which passed through the Supreme Soviet in strict compliance with the procedure established by the fifth Congress, we set about the allocation of privatization checks to citizens. I will remind you that here in this hall it was proposed extending the deadline for the issue of privatization checks by one month to 31 January 1993. We have done this. I can report to you that on 31 January 1993, 96 percent of the citizens of the Russian Federation, i.e. virtually all the citizens of the Russian Federation, had received their privatization checks.

Thus, we got to a situation where the preparation of property for privatization had been completely finished. I mean the creation of joint-stock companies on the one hand and the preparation of demand had been completely finished on the other hand, i.e. the issue of privatization checks to citizens. It is this which enables us today to unfold not only the first stage, the stage of closed subscription, whereby the labor collectives receive what they are due, but also to embark on the second stage, whereby the remaining proportion of state property is put on mass sale, is put up for check auctions which we began carrying out last December.

In December we held 20 experimental auctions, in January 90, in February 180, and in March we will be holding 300. In April we will reach the figure of 500 voucher auctions. This gives us total confidence that all the privatization vouchers that have been issued will be covered in full with the property necessary for these privatization vouchers. Incidentally, this is confirmed too by the exchange rate for the vouchers pooled together at the auctions. In respect of the auctions that have already been held and taking into account the overestimated values of basic assets the real value of the privatization vouchers has been fluctuating between R60,000 and R75,000.

As for the third key component of large-scale privatization, which is the creation of financial middlemen without whom one cannot bring supply and demand together and the creation of voucher investment funds, we have approved a set of documents on voucher investment funds. As we had expected, it turned out that their creation has proceeded in a fairly dynamic way. Well, inasmuch as we are speaking about the results of 1992, a total of 300 voucher investment funds were registered and also 700 branches of these investment funds. They are now really undertaking a professional load of work in the voucher market and the professional load of assisting citizens by reimbursing them for their privatization vouchers. I think that you will have seen on the television screens and in the newspapers the vigorously mounted advertisements for voucher investment funds.

Naturally, for the development of all of this, which is complicated from both the organizational and the numerical viewpoint, attention had to be paid not only indeed to the specific sale of specific enterprises but also to the creation of what may be termed the infrastructure of privatization. We have to date created a real operating system for training cadres in privatization. In Russia there are two training institutes which every month turn out groups of trained specialists. In this respect it is important that we are training both specialists for property committees and specialists for property funds as well as, incidentally, investment fund workers at their own request.

We regard this to be the right thing to do. We have been working fairly seriously on the information and propaganda back-up and moreover have been trying to do so not only at the federal level but also locally. We have been working and have concluded contracts with 112 local newspapers that are the most influential in their regions and regularly publish information. I think that you have heard our information material on the radio and have seen it on television.

Of fundamental importance for us is the fact that on the basis of the 1992 results we are at present taking a qualitatively new step, which I would term the creation of a single property space throughout the entire Russian state. We are already beginning in practice what are termed nationwide voucher auctions. This applies to major enterprises such as, say, the ZIL joint-stock company, which will be selling with the help of property committees and funds 1 million shares throughout Russia.

We have opened in Moscow the first interregional voucher auction center. On 15 March we are opening centers in St. Petersburg, Perm, Smolensk, Novosibirsk, Ryzan, Orel, and Penza, which are connected with the Moscow center in a single network. On 15 April we are opening them in Krasnodar, Nizhniy Novgorod, Chelyabinsk, and Saratov, and so on. The point here is that we are making it possible for every Russian citizen, irrespective of his place of residence, to use his privatization voucher to acquire property in any part of Russia. We are convinced that this will be better than slogans and appeals in creating a unified property foundation for Russian statehood based on the developed process of privatization.

I could cite for you a fairly large number of specific examples of successful privatization, but at the same time I think that it is necessary here to speak too of what we regard as omissions, mistakes, and unresolved problems in our sphere—the sphere of implemented privatization—at least of some of those that in our view have to do with the most important problems.

The first problem is the procedure for evaluating property. As you know, according to current legislation, property is evaluated according to its handover value, without taking into account revaluations. At the same time, the law on privatization introduced a ban on direct sale and stipulated that there could only be a competitive sale mechanism. So the thrust of existing legislation is that the evaluation itself is as simplified as possible. Naturally with this system the price is often lower than the market price, but the real market price can only be determined by competitive sale. This is the meaning behind what is set out in the existing document.

I must say that, as you will see, only one corporate body is actually buying property at its handover value at the present time—that is the labor collective. In all other cases, sales are competitive. In addition, it is well known that such an evaluation is 10, 30, or even 100 times lower that the real market price, and this difference naturally increases as inflation in the country goes up more and more rapidly. Therefore, critical comments are heard more and more frequently that it is worth reexamining this approach and raising the level of property evaluation for labor collectives too. I must say that this formulation of the question is serious and we are starting to work on it now, but I must say immediately that in adopting any resolution whatsoever on changing the evaluation procedure, we have to examine the whole system of privileges for labor collectives as well. As you will recall, the privileges laid down by the law cover both shares in the property and the number of minimum tax rates for each type of privatization. If the Supreme Soviet finds it correct to support us on this issue, then we are ready to submit proposals as to how this should be done; but of course—and I would repeat this once again—when we reexamine the evaluation procedure, we will have to completely reexamine the whole system of privileges for labor collectives. Otherwise we will punish them when we raise prices.

Another issue being actively discussed by specialists, scientists, and deputies is the issue of smaller units breaking away from enterprises. I think that this is the area of the whole privatization process which provokes most conflicts. Many complex conflicts arise on account of this, usually a certain regional structure, or as a rule Russian People's Deputies too speak on behalf of both the sides involved. We have not always succeeded in finding the correct solution to these issues. You have all probably heard, for example, about the Abakan carriage building works and the container production section leaving the works, and the conflict at the Krastyazhmash plant, and many other stories connected with this.

I would tell you that the rights of smaller sections to leave an enterprise without having agreed this with the workforce were for the first time established by a Supreme Soviet decision of 14 June 1992. This point emerged as an amendment from the highest economic council. It is now clear that this aspect of privatization has become too confrontational. We ourselves understand very well that things cannot, evidently, take a smooth course here all along the line, but surely it would have been wrong to artificially add to conflicts in this area. That is why we would be ready, if it meets with the Supreme Soviet support, to consider how to correct this aspect of privatization.

I would describe the situation concerning the rights of regions to privatization as rather complex. If, during the first stage in 1992, it was sensible to take as it were a harsh line, having concentrated the main powers at the federal level, then surely it would be wrong now to continue the same line. Actually, it is this that was pointed out to us by deputies from the Committee on Inter-Ethnic Issues, from the Committee on Economic Reform, and other committees during a debate on the draft state privatization programme. We actually agreed with these observations and were forced to acknowledge that to simply continue in 1993 what was started in 1992 would be a mistake.

That is why this mistake must be rectified, and we actually intend to do this now, having presented to you a new version of the 1993 state program, amended in keeping with the results of the examination by the subjects of the Federation. I would regard the clearly discernible bureaucratic tendencies in the work of the local and, to a significant extent, the State Property Management Committee, linked with this excessive centralization, as a serious mistake in our work last year.

It is of course possible to find justification here, to the effect that the volume and the scale of work has turned out to be so gigantic as to make it simply impossible for us to cope with, as it were. At present it is not hundreds but thousands of specific enterprises that go through the State Committee, in keeping with the requirements of the state program—point 2.2. It is simply that no state body is capable of such throughput. Of course, the areas where bottlenecks of this kind arise always provide a fertile ground for abuses and corruption, something we intend to combat in no uncertain fashion. That is why the situation here must be altered and the direction of change must first and foremost be toward decentralization, to divest powers to the local authorities and to broaden the powers of local bodies. There are quite a few problems connected with corruption, with an incorrect and illegal allocation of property. This applies in equal measure to central ministries, which not infrequently still make decisions regarding property matters, even though they have no such powers, and to the system of the State Committee for the Management of State Property; there are indeed things that have to be tackled head on.

Recently, in our own State Committee, we uncovered an attempt to give a 50,000 ruble bribe. It was simply delivered in an envelope, together with accompanying documents, to a Committee employee. Thank God this happened to be an honest person. I must say that those who delivered these documents said in surprise: we simply do not know what all this is about, we have submitted the documents, and if there was indeed something else there, apart from the documents, then this is nothing at all to do with us. Naturally it is complicated to prove anything from the legal viewpoint, although we have drawn certain conclusions for ourselves. I can tell you that at present, at the initiative of the State Committee for the Management of State Property, and of our Special Economic Security Service, and also at the initiative of the Ministry of Security and the Ministry of Internal Affairs, criminal proceedings against 15 people are in progress as far as the whole system of property management bodies is concerned. I think that the number of persons with whom we will not simply have to part company but part company in a proper manner is not thereby exhausted.

I think we must urgently redeploy our resources to resolve a problem we did not really deal with in 1992, and which I would also characterize as a slip-up of ours: it is not a problem of privatization but a problem of managing state property. Here we have drafted a Government decision which establishes a typical statute of the enterprise, the state enterprise, a typical agreement or contract with the director, and a typical agreement enshrining it as state property. The Government has approved these documents and I think they will be signed in the nearest future.

Summing up what has been done over the past period of time and our assessment of what has not been done, I would say that the main salient point is that privatization has got underway in Russia. Even our fiercest opponents are unable to deny that, including those who are already at the microphones—I think they are hardly likely to argue with that. I am convinced that privatization has got underway in Russia, for the simple reason that people have come to understand that, at long last, the state intends in earnest to return state property to the people. Despite all the conflicts, despite all the resistance, despite all the mistakes we are making, nonetheless we are currently underpinned by the support of the workforces, enterprise directors, and other participants in the privatization process alike. I am convinced that without this support it would have been impossible to arrive at the results we have today. I would consider that the main thing in this context in 1993 is to resolve two tasks: first, if you like, a transition from quantity to quality of privatization. Here we must take a serious look at the results of the small privatization; some things must be rectified where large-scale privatization is concerned, and where the work of the already floated state enterprises is concerned, and much else must also be done here.

Finally, the second task which I would consider as the main task of all: it is the task of preserving the principles of privatization, preserving if you like the ideology of privatization. Currently only those who are interested in plundering state property can attempt to destroy this ideology. It is perfectly clear that these forces cannot and must not gain the upper hand, because the victory of such forces would simply be tantamount to cheating the people, and this, I think, is something that no one will currently undertake. Thank you for your attention.

Answers Questions From Deputies

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[Question and answer session with Russian Deputy Prime Minister Anatoliy Borisovich Chubays at the Supreme Soviet in Moscow on 5 March; moderated by Supreme Soviet Deputy Chairman Yuriy Voronin; from the "At the Russian Federation Supreme Soviet Session" program—recorded]

[Excerpts] [Voronin] Questions please. [passage omitted]

[Deputy Chernov] First, what documents regulate privatization for 1993, and who, or what document, gives permission for it? Has the recession in production been halted at privatized enterprises? I am not talking about trade but about privatized enterprises. Has the cost of production fallen there? The third question: How many enterprises have been privatized in our country in violation of the Law on Privatization and in violation of the president's decree about share floatations?

[Chubays] Thank you. I will try to answer these questions in the order in which they came. The state privatization program—which was ratified by you, according to Article 3 of the Law on Privatization, and I will read it to you—is effective for the next three years. This is what the Supreme Soviet decided, so the state privatization program, ratified by the Supreme Soviet on 14 June 1992, is effective until 31 December 1994.

This is the main legal basis for us today in implementing the privatization program, along with the law of course, so on this point, everything is in order. Regarding your second question, could you remind me what it wasagain?

[Voronin] Efficiency, what is the efficiency?

[Chubays] Oh yes, I see. The fall in productivity, you are particularly interested in the fall in productivity, not for small but large-scale privatizations. You know, even if I could say something on this—I will be frank with you—it would be a joke. It would be a joke for a very simple reason: Large-scale privatization in Russia has only just begun. I gave you the figure; 2,400 enterprises have registered, and most of these registered at the end of January and in February. It would be a joke to expect a joint-stock company registered in February to double the volume of production in two weeks.

What I can tell you, and I can back this up with many examples, the situation is....[changes thought] For example, take the Baltiyskiy factory in Leningrad [place name as heard]. A conversion enterprise, one of the largest in the city, where the volume of military orders went down from 90 percent to 6 percent in 1993, 1992, and to 5 percent in 1992. [sentence as heard]

The enterprise was on the verge of extinction for the simple reason that it had no sources of financial investment. The enterprise managed to find real investors who were ready to assist the enterprise under the condition that it become a joint-stock company. The issue of turning this enterprise into a joint-stock company has been resolved. This means that this enterprise, and—if my memory serves me right—the 18,000 people working there will remain in work thanks to privatization and the enterprise's transformation into a joint-stock company.

As to your third question: How many enterprises today have been privatized in violation of the existing legislation? I can tell you that on our own personal initiative—no, that's not true, it was not our initiative—on the initiative of either deputies or local soviets, but according to our decision, I think that about 15 to 20 resolutions on privatization have been revoked. They have been revoked because privatization was carried out in violation of existing legislation. These are approximate figures for resolutions on revoking privatization which have already been adopted.

[Deputy Kazakov] Anatoliy Borisovich, I think that everyone in this hall will recall what Yegor Timurovich Gaydar, former head of government, said from this rostrum about the low price for vouchers: He said that if the price does not rise, then our undertaking is doomed. But a logical question follows from this. As far as I understood it, sales or privatization would be 80 percent for vouchers and the rest for money. To raise prices for vouchers—after all, we only issued them for 1993—why don't we have privatization for vouchers only, and not for money as well? That's my question.

[Chubays] Why isn't it happening only for vouchers?

[Kazakov] Yes, that's the question.

[Chubays] I understand. If you will permit me, I would like to say a couple of words on the first part of the question and then I will answer the second part about the low rate of exchange for vouchers, which yesterday stood at 4,360 rubles [R] on the Russian Exchange, which is really low.

As usual, there is undoubtedly an objective reason for this. But first and foremost, I think that even the most firmly convinced opponents will agree with me if we remove the entire ideological and political side of this and just look at the essence of the economic situation. Just look. Today we have issued 150 million privatization vouchers. We have created the maximum possible demand for privatization which could possibly exist. The demand has been created. The fulfillment of this demand—that is, sales using the vouchers—has only just started, and it will continue steadily throughout 1993.

It is clear to everyone that the starting point for all vouchers is the time when there is the highest demand. As soon as real proposals start to come in, that will be the crucial time for determining the real rate of exchange for privatization vouchers.

How can this situation be changed? Broadly speaking, there is only one way: starting up the real sale of property at voucher auctions, at which each voucher can be turned into property. It is for this reason that today we are devoting most of our attention to this. I would like to remind you again of the figures for voucher auctions: 20 in December, 90 in January, 180 in February, 300 in March, and 500 in April. It is absolutely clear to us that the price will be turned around in this way. Incidentally, we know that in the towns where voucher auctions are being held—the first ones that we have held—the market value of the vouchers rises sharply immediately.

At the same time, I must tell you that the vouchers were not created in order to be sold. Our citizens do have this right but, nonetheless, as you will recall, it is a privatization voucher. All in all, it is a document for privatization purposes; that is, it can take part in a voucher auction and property can be acquired for it.

Here the price of the voucher, and I have already mentioned this figure for you, its de facto price, fetched at sales that have already taken place—even though it caused laughter in that part of the hall—I will repeat this figure again, with pleasure, as I am responsible for it: The de facto price of the voucher, one that has already been fetched at past sales with the revaluation of property having been taken into account, is between R65,000 and R75,000.

This means that as far as the main direction is concerned, as far as the main purpose for which this document was created, it is operating normally even now, even during a period that is objectively the most difficult for this valuable paper. That is why we are confident that everything will continue to be OK with regard to the voucher prices if, of course, the whole scheme and the whole normative edifice of privatization is not disfigured. This is the answer to the first part of your question.

As for the second part? I have not written it down and I have forgotten. [Someone from the hall asks why is it that only vouchers must be used.] Ah, the money sales. I understand you. I understand you indeed. Indeed, the distribution plan in force envisions 80 percent voucher sales and 20 percent money sales. I must tell you that all in all we are subject to rather serious pressure, above all from the regions where they propose, if not to reverse the scheme, then at least to increase the money part of it substantially. Their interests here are perfectly clear. It has already been understood by those in charge of the local budgets, above all, that it can be supplemented for real through privatization. This has been done and I have already mentioned the figure to you.

Naturally, privatization bodies—this applies in equal measure to us and to Tabeyev and the state committee and the Property Fund—are of course interested in seeing the greater part of sales being effected through money changing hands. Our position here is this: It is our view that the overwhelming part, the greater part of sales should be effected only through vouchers, for it is only in this way that we will ensure that the vouchers are backed by property, operating within the figures that exist. But at the same time, some proportion must be preserved for money operations, both to support local budgets and to support the ability of the privatization bodies themselves to operate.

After all, as you understand, a voucher auction is a costly venture. We have all become accustomed to shop auctions: Money changes hands in such situations and the costs of running the shop can be met. But what resources are there to hold a voucher auction? The vouchers that will be obtained? Here a real financial source is needed, not just a central one, but also at the local level. It is here, then, that this 20 percent you have asked about emerges.

[Ilovskiy] Deputy Ilovskiy, 373d Constituency. Esteemed Anatoliy Borisovich, quite a number of closed-type shareholding companies exist in Russia. As far as I know, they were mainly set up in 1991 although, sure enough, I do not know their exact number. Here quite a number of problems emerge, connected with the following: What is the value of shares? Will they be revalued? Will they be index-linked, especially when an employee is let go? Will the employee's rights to keep his share if he is laid off or if he leaves the enterprise be guaranteed in earnest? What is your committee and the government's position on this issue? That is the first question.

Second, how is the state using the package of shares it already has, where the already floated enterprises are concerned, as it applies to you as an official and your committee? Evidently, it is a question for the whole government. Thank you.

[Chubays] On the first question, about the closed joint-stock company. Our position on this coincides with the position adopted by the Supreme Soviet. The Supreme Soviet—if my memory serves me right—on 14 June 1992 made it incumbent on all closed joint-stock companies to transform themselves into open ones. The reason for this demand is that in the closed joint-stock company there is a state property holding—in those cases, of course, where the closed company was set up with state property. This state property should be open. That is, it may be sold not only to those who work at the particular enterprise but to anyone who possesses a voucher.

We have information that the overwhelming majority of closed joint-stock companies have indeed been transformed into open joint- stock companies. If you are talking about closed joint-stock companies which have been set up without state capital—for example if three businessmen have invested their money and created a closed company—that is their problem, and let them resolve it however they like. But if you are speaking about ones that have been set up from state property, then they are categorically forbidden to engage in any property deals at all until they have been transformed into open joint-stock companies and have created an opportunity for the state to sell its holding, the state holding, to all citizens at voucher auctions.

As far as shares or dividends from shares go, it is difficult for me to say since we do not use them at all; in accordance with existing legislation, they fall under the Property Fund and not under the state property committee. But I know that there has been a decision made by the Presidium of the Supreme Soviet in accordance with which the Property Fund received all the shares in foreign enterprises—enterprises and joint property located abroad. As you know, they have dividends paid in foreign currency which in certain well-known cases are rather high, but I have no information on what the fund does with this money.

It is known that in the presidential decree we laid down the demand that the dividends from the state's holding of shares should be directed to supporting the social sphere of these enterprises. This is a question which arises here. You probably know about the problem of financing the social sphere during privatization. It arises very often. It is a major, serious question. Sources of finance are needed to maintain schools, hospitals, guesthouses, and so on. The presidential decree sets out the decision in accordance with which dividends from the state's holding of shares—which you are asking about—should be used to finance this social sphere.

[(Nelazov)] Deputy (Nelazov), deputy chairman of the Committee on Science and Education. [passage omitted] How is it that the State Committee for Management of State Property has permitted thousands of children's preschool establishments and a number of vocational-technical educational establishments to slip away from the state? [passage omitted]

How is it that agreements are coming about with Komi and with Karelia on the division of property into federal and republican ownership, as a result of which educational establishments again are lost to the state system? These are my questions. By the way, I object to your remark that we are opponents of the principle of privatization. I am not one. [passage omitted]

[Chubays] I would like to reply briefly, although these are serious questions and could be especially highlighted. First, the privatization of educational establishments. I would remind you that unfortunately the state privatization program did not forbid the privatization of educational establishments. [passage omitted]

We recently issued a special letter of instruction and sent it to all the property committees; it not only bans privatization [of educational establishments] but also bans buildings of the educational establishment being used for other purposes, because this is what the struggle revolved around. I believe that today we have managed to halt this process, although I am ready to concur with your criticism that we were late. This clearly should have been done earlier. That is a brief comment on the first part of your question.

On the second part of your question, about the powers to manage property which are laid down in the Law on Property, you quoted accurately, and this is how it is according to the Law on Property: The powers of property management are assigned to the soviets and the bodies authorized by them. The body authorized by the soviets to manage property is the State Committee for the Management of State Property. Furthermore, the law adopted in this hall forbade the State Committee for the Management of State Property from handing over its powers to manage property to any other state body. Relying on these powers, we resolve issues pertaining to the demarcation of ownership which Supreme Soviet Resolution 3020 of 27 December and other documents demand that we resolve.

You asked a specific question about agreements concluded with the republics. I would like to remind you that after we started conducting this demarcation of property in accordance with Resolution 3020, it soon became clear that Resolution 3020 contradicted the Federation Treaty. This was pointed out to us by the republics themselves—Yakutia, Bashkortostan, Tatarstan—and the Presidium of the Supreme Soviet. It was not us, incidentally, but the Presidium of the Supreme Soviet which instructed the relevant committee of the Supreme Soviet to rework Resolution 3020 to apply to the specific case of the republics, taking into account the Federation Treaty. This reworking has not been completed, but the process of demarcating property is going on. We have to make some decisions, so we prepare and make these decisions.

Incidentally, as for the already signed documents, in all cases they were discussed in maximum detail with the relevant deputies structures. I don't know, perhaps Zoya Afanasyevna will tell us how the document, the agreement with Yakutia, was prepared and signed. It doesn't seem to me that there was any violation of the existing legislation there. [passage omitted]

[Deputy (Rupel)] Anatoliy Borisovich, privatization has also touched air transport but passengers have not felt any improvement so far. [passage omitted] What does your committee plan to do for creating competition?

[Chubays] I must say that this is the case in which our position coincides with the position of the ministry, at least the part of your question which touched upon separating airports. We have agreed on this with the Transport Ministry, and existing instructions on privatization in air transport envision the separation of airports before they begin to be privatized. This cannot be done overnight, so to speak, since to separate an airport means to separate the whole infrastructure. It means separate balances and a separate system of processing financial documents. We have adopted it as our aim and the privatization process is developing like this. [passage omitted].

[Deputy Veshnyakov] Esteemed Anatoliy Borisovich! I have two questions for you: What is your assessment of progress in privatizing marine transport, shipping lines, and seaports? What corrections do you plan to make, bearing in mind the fact that following your initiative, the sale of shares on these enterprises has been suspended by the Property Fund, through a telegram with which you are familiar? The second question: Bearing in mind that the program is being finalized at the moment to take into account the opinions of regions and to give them more rights, how do you assess joint-stock companies in the Far North regions and what corrections do you want to make, bearing in mind the specific nature of these regions?

[Chubays] I will start with your second question, if you have no objection. In respect to the areas of the Far North, this is either a mistake or a shortcoming in our work. I do not know what to call it. We were committed to present to the Supreme Soviet a state privatization program, or the particular features of privatization for the Far North regions. We did draw up such a document. We have it ready, but unfortunately we got bogged down in reaching agreement on it and we have still not submitted it to the Supreme Soviet. So there has been some delay, although a certain amount of groundwork has already been done.

Now, regarding your first and main question on the particular features regarding the privatization sea ports. This is also one of the areas in privatization where we have not avoided conflict. In particular I can say frankly that there have been differences here between the positions of the State Committee for the Management of State Property and the Ministry of Transport.

Without going too deeply in the details, the ministry's position is that the second option for privatization, a control package, should not apply at all to the seaports. We do not support that position in such an unequivocal form. We consider that it is perhaps worthwhile to support this type of plan in four out of the nine main ports, but no more than that.

This is particularly true if one considers the decisions which we have already made to maintain state influence in the sphere of seaports. I have in mind first and foremost the decision to create state administrations for ports. I think that this decision should be considered a sensible and correct one. It is a way to preserve administration, especially local level administration, of seaports, even under conditions in which they have been fully privatized.

In view of this, I would not consider it right to deprive the collectives of all the second-rank seaorts of the chance to acquire 51 percent. Indeed, it is on this basis that we are completing our work on a special presidential decree which will finalize the issue of seaport privatization.

Khasbulatov Discusses Quota for Female Deputies

LD0403222493 Moscow Russian Television Network in Russian 2000 GMT 4 Mar 93

[From the "Vesti" newscast]

[Text] The House of Soviets, just like the Kremlin, is not indifferent to women and their needs. Consequently the leaders of parliament today congratulated the sweet deputies and lamented that the universal hopes and women's expectations of emancipation have not yet been implemented in our country. Ruslan Imranovich [Khasbulatov] hinted that a compulsory quota for women could be established by law, say at the election to the new parliament.

He has just returned from Norway where women make up over one-third of parliament, and the government is gentler and nicer with ministers from the fair sex.

Further Khasbulatov Comments

LD0403201893 Moscow Mayak Radio Network in Russian 1800 GMT 4 Mar 93

[Text] Russian Supreme Soviet Chairman Ruslan Khasbulatov had a meeting this evening with female people's deputies. Having congratulated them on the approaching 8 March [International Women's Day], Khasbulatov noted that true emancipation is possible only in a truly free society. The parliamentary speaker stressed that a great deal remains to be done to improve the situation of women in Russia.

Skokov on Yeltsin Meeting With Security Council

LD0503122793 Moscow Russian Television Network in Russian 1813 GMT 4 Mar 93

[Remarks by Yuriy Skokov, secretary of the Russian Security Council, with interjections from Supreme Soviet Chairman Ruslan Khasbulatov; to the Russian Federation Supreme Soviet session in Moscow on 4 March; from the "At the Supreme Soviet Session" program—recorded]

[Text] [Skokov] Esteemed chairman, esteemed deputies, I have been asked to give a report on yesterday's meeting of the Security Council. I do not know why there is so much tension about this matter. It was a planned meeting of the Security Council. The matter was planned in January for the first quarter.

Two matters were discussed yesterday—the basic provisions of the concept of the foreign policy of the Russian Federation—as you know, an inter-departmental commission was set up—and the second matter was the basic provisions of the military doctrine of the Russian Federation.

The minutes of the decisions—no written decisions were made in the form of presidential decisions or decrees—the minutes say the following: To approve on the whole the basic provisions presented by the inter-departmental foreign policy commission and, taking account of the exchange of opinions which took place, to clarify individual provisions of the document agreed in accordance with working procedure. To consider as finalized the document, bases of the foreign policy activity of all bodies of executive power, giving coordinated and confirmed directions for action and criteria for implementing practical measures in the sphere of foreign policy.

Second, to present the basic provisions to the Supreme Soviet in accordance with the established procedure and to instruct the inter- departmental foreign policy commission of the Security Council to prepare a draft report to the Supreme Soviet setting out the basic contents of the document.

Third, the inter-departmental commission will prepare and present to the Security Council in April, 1993, a composite long-term plan for specific directions of foreign political actions by all its participants.

The document was drafted by the commission set up after the declared decision at the Seventh Congress. The commission includes two Supreme Soviet committee chairmen, Stepashin and Ambartsumov. They took part in the work of yesterday's meeting. Also taking part was the representative of the Supreme Soviet, Piskunov. As far as concerns invitations, in accordance with the procedure established by amendments to the law, an invitation was sent to the leadership of the Supreme Soviet, along with a notification as to when it was to take place, the whole agenda, and an invitation to make a decision to participate in the meeting. Piskunov was there, and I assume that this was the decision, since there was no written document.

The second question. There was discussion of the political aspects of the military doctrine. There is much criticism that we do not have a military doctrine. Last June, a decision of the Security Council on construction of the armed forces was made. In the past, we virtually did not have a military doctrine, but only had the principle of defensive sufficiency, and this did not meet the possibilities for constructing the armed forces. The document was drawn up also with the participation of representatives of the Supreme Soviet and all interested parties.

The decision, the minuted decision I stress once again, is as follows: To consider it appropriate to send the basic provisions for examination by commanders in chiefs and commanders.

Second, to instruct the minister of defense and other ministries within two weeks to organize discussions of the political bases of the military doctrine in the appropriate military councils, to sum up observations and present them to the Security Council.

Third, to complete work on the military and military equipment section of the military doctrine by 20 March and to present it to the secretary of the council, with the participation of interested parties, and by 24 [March] present it for examination by the Security Council and subsequently to send it, in accordance with the procedure established by the Constitution, to the Supreme Soviet of the Russian Federation. This minuted decision is in strict accordance with the shorthand account which also exists.

No other questions were discussed and no official decisions were made.

[Khasbulatov] Thank you. We take note of the report. Thank you, Yuriy Vladimirovich.

[Addressing hall] Do you require anything else? Perhaps that is enough. Well, all right, get on with it.

Well, Yuriy Vladimirovich, you are right about the tension. Yes, there is tension in society. There is tension here, too. But, Yuriy Vladimirovich, you must understand that tension is being whipped up by the presidential structures.

[Skokov] I would like to say one more thing...

[Khasbulatov, interrupting] This tension is constantly being foisted on society. It does not come from here.

[Skokov] I can say quite officially that the position which was set out at the Seventh Congress remains in force. I made an address to you then. I, personally, have not altered this position. I have not heard any such alterations from my colleagues, either.

As far as what is published in the mass media is concerned, well excuse me, you have a law on the press, sort them out yourselves. So many things are being heaped on me too, alleging that I am carrying out a coup and all sorts of things. This does not worry me, but sort it out in accordance with the legally established procedure. I have informed you on what actually happened.

[Khasbulatov] Thank you, Yuriy Vladimirovich.

Ryabov, Kozyrev Address START II Hearings

PM0503162493 Moscow ROSSIYSKAYA GAZETA in Russian 4 Mar 93 First Edition p 1

[Aleksandr Linkov report under the "Parliamentary Hearings" rubric: "How Many Missiles Do We Need?"]

[Text] Parliamentary hearings on the START II Treaty have opened in the Russian Supreme Soviet. They are being held once every two weeks and will last approximately two months.

Speaking at the hearings' opening, Nikolay Ryabov, deputy chairman of the Russian Federation Supreme Soviet, indicated that the world community had succeeded in stabilizing the nuclear weapons process by freezing their increase. However, the effective period of the Treaty on the Nonproliferation of Nuclear Weapons runs out in 1995. In the meantime the number of countries which are providing themselves with such weapons or which may have them in the near future is increasing. This is why it is necessary to extend the treaty's effective period, and all five nuclear powers should take the same stance as the agreement's guarantors.

N. Ryabov emphasized that as the Supreme Soviet attaches very great significance to the nonproliferation of nuclear weapons, it is planning to hold a an exchange of opinions with U.S. congressional committees on a wide range of issues concerning nuclear weapons. He also reminded us that the Seventh Congress of People's Deputies recognized that it is necessary for the country to have nuclear weapons in its arsenal as the most important means of preventing potential aggression against Russia. However, the Russian Federation's nuclear policy at the moment lacks fundamental principles. Therefore, in the process of the hearings on the START II Treaty, it is expedient not only to examine questions of its ratification but also to put forward for discussion the basic premises of the Russian Federation's nuclear and military policy.

In his speech, Foreign Minister Andrey Kozyrev outlined in some detail how necessary the START II Treaty signed 3 January of this year is. In his opinion present-day realities, whereby the political situation in the world has fundamentally changed, binds us to this. That the agreement was reached so quickly was explained by the fact that the document in question is directly linked to and based on the START I Treaty which has already been ratified. The minister is firmly convinced that Russia's interests have not been affected; it can only benefit. At the same time Kozyrev was negative in his appraisal of the actions of Ukraine, which is showing inconsistency in questions of nuclear arms reduction.

Appearing at the hearings, Chief of General Staff M. Kolesnikov turned his attention to this, saying that even now people in Ukraine are seriously concerned about the condition of the munitions being stored there, as they do not know what to do with them and are insisting on assistance from Russian specialists.

Far from all those present in the hall were optimistic about the START II Treaty. For example, I. Andronov, deputy chairman of the parliamentary Committee on International Affairs and Foreign Economic Ties, drew the attention of the hearings' participants to a number of the document's provisions which in his opinion put Russia at a disadvantage. By way of an example, I. Andronov singled out the memorandum which inventories the actual arms being cut. Of its nine pages, seven are absolutely blank, and will be completed as implementation takes place. But what will be put in these blank pages? We do not know. Doubt was also expressed about the Russian side destroying multiplie warheads on land-based missiles, when the American side is keeping those based on submarines. I. Andronov emphasized that a majority in parliament is in favor of ratifying the treaty, but until everything is entirely clear, this can hardly be expected to happen.

Regional Affairs

North Ossetia Recognizes South Ossetia

LD0603152493 Moscow Radio Rossii Network in Russian 1500 GMT 6 Mar 93

[Text] According to an RIA report, a closed meeting of the North Ossetian parliament session decided to recognize the Republic of South Ossetia.

Groznyy Accuses Moscow of Tightening Blockade, Terrorism

OW0503171593 Moscow INTERFAX in English 1652 GMT 5 Mar 93

[Following item transmitted via KYODO]

[Text] Chechnya has reiterated its accusation that Russia "strongly tightened" the blockade and pursues provocative and terrorist activities against the Chechen Republic "in order to break the Chechen people's drive to freedom and independence."

In a message sent on March 5 to Andrey Kozyrev, Russian Foreign Minister, his Chechen counterpart Shamseddin Yusef writes that an increasing number of Chechens are being killed in Moscow and attempts are being made to deport Chechens from Rostov and Astrakhan Regions and Krasnodar Territory.

Yusef accused Russian security services of killing in London a President Dzhokhar Dudayev's advisor on foreign economy matters and his brother. "This is the latest act of terrorism in a long chain of crimes committed by Russian security services against citizens of the Chechen Republic," the message says.

The message also recalls that "Over 250,000 Russians live in Chechnya who suffer the consequences of the tightening blockade more than anybody else."

Chechen Parliament Leader Criticizes Dudayev

LD0803083393 Moscow Radio Rossii Network in Russian 0200 GMT 8 Mar 93

[Text] Dzhokhar Dudayev has reduced the people and economy of Chechnya to complete degradation and catastrophe. This statement was made at a news conference in Groznyy by Yusup Soslanbekov, one of the leaders of the parliamentary majority. In the opinion of Soslanbekov, Dudayev needs to be removed from power immediately by constitutional methods. The issue of a power crisis and of presidential and parliamentary elections ahead of schedule, Soslanbekov added, is to put to referendum. It is to be held on 27 March in Chechnya, in spite of the veto imposed by Dudayev.

Soslanbekov also subjected Durdiyev, the minister of Chechnya's petroleum and chemical industry, to pointed criticism, accusing him of being involved in misappropriating petroleum products.

Tatar President Denies Accord To Be Signed With Moscow

OW0503182993 Moscow INTERFAX in English 1652 GMT 5 Mar 93

[Following item transmitted via KYODO]

[Text] Mintimer Shaymiyev, Tatarstan's President, has denied reports that his republic is pressing for an accord to be signed with Russia. He told parliament that at the moment it would make no sense to specify the exact date of signing the accord which has been drafted.

The presidents, he said, will have to settle three items, the formula of relationships, Tatarstan's participation in repayment of foreign debts, and its share in the Russian Federation's diamond and gold stores.

On the relationships, Moscow proposes regarding Tatarstan as a sovereign state which is incorporated in the Russian Federation and an agent in international law. Kazan thinks that Tatarstan is a sovereign state and an agent in international law which is associated with Russia through a bilateral accord.

Tatarstan's Treaty With Russia 'Immediate Aim'

OW0503190893 Moscow INTERFAX in English 1849 GMT 5 Mar 93

[Following item transmitted via KYODO]

[Text] Tatarstan's immediate aim is the conclusion of bilateral treaties with "near and remote foreign countries", and the long-term aim, a treaty with the Russian Federation, Tatarstan's Vice-President Vasiliy Likhachev told journalists in Moscow on Friday [5 March].

He said that work was in progress on a number of agreements with Russia, including those on banks, property, taxation, customs and ecology.

The Russian and Tatar Presidents Boris Yeltsin and Mintimer Shaymiyev will have a meeting on the conclusion of a bilateral treaty in the middle of March. Earlier the meeting was planned for the middle of February, but then postponed, because President Yeltsin took a vacation, Likhachev said.

Vice-President Likhachev said that Kazan expected the presidents' meeting to "make progress based on the understanding and recognition of Tatarstan's positions as a republic in the Russian Federation". "Tatarstan would be a factor for stability in the Russian Federation", Likhachev said.

Interviewed by IF [INTERFAX], Likhachev said that the concept of Russia's foreign policy was the main factor that delayed the conclusion of the treaty. He said that concept proceeded from the "need to disavow the rights of peoples to self-determination and to statehood and stake on national-cultural autonomies". Vice-President Likhachev said such a concept was a "strategic mistake". "Already now it is paralyzing the federative treaty and when the market is goes into operation it will produce many more problems", Likhachev said.

'Early Agreement' in Moscow Urged

MK0803060393 Moscow NEZAVISIMAYA GAZETA in Russian 6 Mar 93 p 3

[Radik Batyrshin report: "Crisis of Power Turns Into Power of Crisis. Vice President of Tatarstan Favors Stabilization"]

[Text] Vasiliy Likhachev, vice president of the Republic of Tatarstan, has stated in an interview for NEZAVISIMAYA GAZETA that "the crisis of power in Russia has turned into the power of crisis." According to Likhachev, "from the viewpoint of primitive logic the confrontation in Moscow would appear to benefit Tatarstan because it weakens the center." Likhachev stated that "on the contrary, Tatarstan favors an early agreement among the Russian branches of power, because continued confrontation leads to destabilization not only in Moscow, but also in Tatarstan." "The reformist impetus emanating from the republics calls for creation and not destruction," he said. Likhachev called on Russian leaders to stop fighting each other because "there is the Constitution and there are other normative acts which create a fairly good basis for the work of the executive and legislative branches in Russia." "The democratic image of the Russian leadership largely depends on the status of its relations with Tatarstan," the Tatar Republic vice president believes. It was Tatarstan's position that enabled Russian authorities to take a critical look at many provisions of Russia's nationalities policy. He said that the second round of talks between Boris Yeltsin and Mintimer Shaymiyev, been postponed because of the Russian president's leave, would be held in mid-March. "We expect that at the meeting Moscow will understand and accept Tatarstan's position as a republic that is not breaking up the Russian Federation but creating a new type of relationship." In his view, trading, economic, and cultural ties established by agreements with all the CIS countries that are UN members automatically remove from the agenda the question of Tatarstan's recognition by the international community. Likhachev identified three groups of disagreements between Tatarstan and Russia, including Tatarstan's participation in the repayment of the former USSR's debts, its share in the Diamond and Gold Reserves, and the formula governing their relationship. In his opinion, Tatarstan is willing to pay its share of the former Soviet debt, but the republic's contribution to the Union's treasury means also that the Republic of Tatarstan should have a share in the Diamond and Gold Reserves too.

Tatarstan May Join Interstate Council for Oil, Gas

OW0503182893 Moscow INTERFAX in English 1652 GMT 5 Mar 93

[Following item transmitted via KYODO]

[Text] Tatar prime minister Muhammad Sabirov maintains his republic has a solid opportunity to become a full member of the Interstate Council for Oil and Gas which was incepted [as received] in Surgut (Tyumen region) on March 2-3. The meeting of the heads of governments of the former Soviet Union republics was also attended by the prime ministers of Bashkortostan and Tatarstan who, as is known, intend to sign the Council's constituent documents apart from Russia.

In an interview for Interfax on Friday [5 March], Mr Sabirov observed that Tatarstan's economic potential "exceeds those of several officially acknowledged members of the CIS, therefore it should occupy the place it deserves in such structures." Besides, the prime minister said, the republic has not signed a Federative Agreement, while it has signed inter-government agreements with most of the CIS members.

In the words of Mr Sabirov, the CIS Charter envisages participation in the Commonwealth of not only the former Soviet Union republics but of other subjects, such as observers and associated members. This indicates that Tatarstan's participation in the oil and gas council as a full member would not run counter to the provisions of the CIS constituent documents, he said.

Mr Sabirov asserts that head of the Russian delegation at the conference in Surgut Georgiy Khizha, "was not categorically opposing" Tatarstan's joining then interstate council, while he suggested that Kazan should first adjust its relations with Moscow.

Tatarstan Proclaimed Free of Mass Destruction Weapons

LD0603102493 Moscow ITAR-TASS in English 0934 GMT 6 Mar 93

[By ITAR-TASS correspondent Nikolay Sorokin]

[Text] Kazan March 6 TASS—A session of the Tatar parliament ended its work with the adoption of a budget for the current year. President Mintimer Shaymiyev described it as "the creative regime budget," which envisages a further development of agriculture, the stabilisation of industry, the speeding up of military conversion and reliable social protection of citizens.

People's deputies adopted a special resolution, which proclaims Tatarstan a "zone free of mass destruction weapons". The republic pleged neither to produce, nor to stockpile, nor to bring in mass destruction weapons, and to ban the transit tranportation of chemical weapons across Tatarstan to the areas of their destruction.

The parliament decided as well to reorganise the state management system. For the first time ever, the republican Committees for Film-Making, and for the Affairs of Children and Young People, as well as Ministries of Communications and Ecology were created.

New Ingush President Aushev Explains Policies

PM0503125793 Moscow IZVESTIYA in Russian 5 Mar 93 First Edition p 4

[Aleksandra Lugovskaya report incorporating interview with Major General Ruslan Aushev, president of Ingush Republic; place and date not given: "President of Ingushetia Starts from Scratch"]

[Excerpts] The figure of 97.1 percent (precisely this was the proportion of the inhabitants of the Ingush Republic who, contrary to forecasts, turned out to vote 28 February for the election of the first president) is a tremendous endorsement by the people for General Ruslan Aushev, an Afghan veteran. [passage omitted]

With his election to the post of president of the Ingush Republic the military career of the 38-year-old major general has ended. It was firmly linked with the war in Afghanistan, to which he devoted almost five years of his life, and his honest career as a soldier, marked by the title of Hero of the Soviet Union at the age of 27, itself amazingly became a pure symbol of that unjust war.

"Even today Afghanistan is the chief thing in my life, because there I realized that war is a very dirty business. It taught me not to fear the strong of this world, but I myself, while among the soldiers, guarded against the 'power syndrome.' I felt keenly the tragedy of the breakup of the USSR. I believe that its army should not have been messed up as well. Today I would not serve any republic—Russia, Ukraine, Tajikistan—because I swore loyalty to the Soviet people. I cannot believe even now that we have been divided up, and so I would be unable to command any subunit, even a peacemaking one, because I would have to kill my own people...."

President Aushev is entering the state field in the Ingush Republic virtually in a war situation, but with a firm inner target of a political dialogue.

"The strong-arm option for resolving the Ossetian-Ingush conflict, including the question of the 'disputed territories,' is doomed. It is impossible, above all, because we all have to go on living in this land, and if we Ingush could 'win' today, let us say, then our neighbors might 'defeat' us tomorrow."

According to President Aushev, Ingushetia's political sovereignty will be realized on the basis of the Federation Treaty.

"We want to organize our life by delegating individual powers to the federal center, but questions of the economy and the disposal of minerals and natural resources, business, culture, cadre policy—all this must be in the republic's exclusive jurisdiction."

The strengthening of the things which "feed people today" (collective and state farms and profitable state enterprises) and the parallel introduction of a mixed economy, with reliance on small and medium business—this is Ruslan Aushev's economic minimum.

The population of little Ingushetia has everything for a normal life and, in the future, for a happy life too: fertile lands, alpine pastures, oil- and gas-rich deposits, fine mountain landscapes, and gorges with curative springs. But the chief thing, without which a normal life is impossible, is missing—peace and quiet. The nationally elected president intends to bring it to this land—with a clear-cut action program, democratic principles, and political authority. Ruslan Aushev undoubtedly has to play an appreciable political role during difficult times not only for Ingushetia but also for Russia as a whole. I would like to believe that it will be just as irreproachable as his military career.

Aushev Officially Inaugurated

LD0703193393 Moscow ITAR-TASS World Service in Russian 1800 GMT 7 Mar 93

[By ITAR-TASS special correspondent Mikhail Shevtsov]

[Text] Nazran, 7 March—Today Ruslan Aushev officially assumed the office of president of the Ingushetian Republic. An extraordinary congress of the peoples of Ingushetia held a ceremonial sitting on this occasion. Ruslan Aushev swore on the Koran. He said: "I swear to fulfill honestly and steadfastly the presidential duties laid upon me by the Ingushetian people, to think of my people and following their will and wishes, defend their rights and constitutional laws, and to be a worthy representative of the Ingushetian Republic." This was followed by the national anthem.

The head of administration of the Ingushetian Republic, the representative of the Russian president, religious and public figures of the republic, and guests from a number of republics and oblasts of the Russian Federation attending the festivities expressed their greetings and best wishes to the president and the Ingushetian people. A Chechnya delegation, led by President Dzhokhar Dudayev, was the largest and the most representative. His speech in the Ingush language was greeted with stormy applause.

State delegations from Dagestan, Kabardino-Balkariya, Adygeya, Karachay Republic and Stavropol Kray also arrived for the ceremony. The Russian Supreme Soviet was represented at the inauguration of the Ingushetian president by Aleksandr Pochinok, Chairman of the Supreme Soviet Commission on Budget and Planning.

In his address Ruslan Aushev said: "I would like to point out only one thing—the time has come to do some work, to move on to some specific actions, the time has come to build statehood in close friendship with all the peoples of the Caucasus, Russia, and the CIS states. We will always welcome those who will be of benefit to Ingushetia and the peoples living in it and be their true brothers. No one must bring weapons to Ingushetia. We will not allow anyone to devise plans involving the use of force and confrontation. It is only through mutual understanding and only through political solutions made on mutually beneficial conditions that we will be tackling all problems."

Ossetians, Ingush To Live in 'Different Sectors'

OW0503155993 Moscow INTERFAX in English 1523 GMT 5 Mar 93

[Following item transmitted via KYODO]

[Text] North Ossetia and Ingushetia declared that there can be areas in the North-Ossetian Prigorodnyy region densely populated with Ossetian and Ingush but they agreed that these nationalities will live in different sectors of the region and will not maintain any contacts.

This information was voiced by Aleksandr Kotenkov, the head of the interim administration in North Ossetia and Ingushetia, at a press conference on Friday [5 March] in Vladikavkaz. Kotenkov participated in the round of Ossetian-Ingush negotiations completed in Kislovodsk recently.

He pointed out that people involved in the conflict will not return to the Prigorodnyy region. He said that only those who were registered in the region before October 31, that is before the conflict, will be allowed to return. The head of the administration underlined that "only God can guarantee their security and we can only ensure it."

Kotenkov believes that if the refugee problem is not solved in the near future, the situation could become uncontrollable." [no opening quotation mark as received] In Kotenkov's words the next round of Ossetian-Ingush negotiations is scheduled for March 16 in Kislovodsk. A conference of the North Caucasian republics' coordination center will be held in Moscow on March 9 to discuss the refugee issue. Experts groups on Ossetian-Ingush negotiations will conduct a conference on March 10-11 in Kabardino-Balkaria (in Nalchik or Terek).

Negotiators' Status in Ossetia Revoked

MK0503153993 Moscow NEZAVISIMAYA GAZETA in Russian 5 Mar 93 p 3

[Unattributed report from the "NEGA reports" column: "Ingushetia"]

[Text] President Ruslan Aushev of Ingushetia has stated that he does not recognize the powers of the Ingush delegation now holding talks with North Ossetia.

According to the new president, his first step after his inauguration will be to abolish all structures of the Provisional Administration. In R. Aushev's opinion, the delegation includes representatives of the public organizations which he banned while he was still head of the Provisional Administration, who therefore cannot express the interests of the Ingush people.

North Ossetia's official delegation, in turn, issued a statement on the instructions of the North Ossetian Supreme Soviet Presidium to the effect that the election of the president of Ingushetia had significantly changed the situation in which the talks were being conducted. The opinion was expressed that the newly-elected president would determine an official position on a range of issues under discussion at the talks, and also on the makeup of the Ingush Republic delegation.

'Hopeful Sign' Seen in Conflict

MK0603161593 Moscow NEZAVISIMAYA GAZETA in Russian 6 Mar 93 p 3

[Unattributed report under the headline: "North Caucasus"]

[Text] Aleksandr Kotenkov, head of the interim administration on the territory of North Ossetia and Ingushetia, addressing a press conference on the results of the fourth round of Ossetian-Ingush talks which have ended in Kislovosk, noted that, to his satisfaction, both sides had moved away from mutually irreconcilable approaches to the problem of the return of refugees who had left their homes during the conflict. According to the interim administration head, this is a hopeful sign, although he sees the process of the refugees' return as a lengthy and multistage one. He pointed out that all the refugees, both Ingush and Ossetian, must go through screening procedures to identify those who had taken part in the armed conflict. Commenting on the situation in the conflict zone, the head of the interim administration said that after the curfew was lifted in Vladikavkaz the general crime rate rose by 30 percent.

Kotenkov said that he was going to send an inquiry to the Eighth Congress of Russian People's Deputies about the deputies' commission, specially formed at the previous Congress, that has not as yet started functioning in the area where the state of emergency was imposed. It is that commission, according to Kotenkov, that should draw the political conclusions that are awaited in both North Ossetia and Ingushetia.

Situation 'Fully Controlled'

LD0703170993 Moscow ITAR-TASS in English 1506 GMT 7 Mar 93

[By ITAR-TASS correspondent Valeriy Shanayev]

[Text] Vladikavkaz March 7 TASS—The socio-political situation in North Ossetia and Ingushetia is fully controlled by units of the Joint Forces and Russian Interior Troops, ITAR-TASS was told at the headquarters of the provisional administration.

At the same time in the past few days shootouts on the border between Ingushetia and Chechnya have become more frequent. At noon on March 6, unidentified persons (one in police uniform and armed with a pistol) in a Moskvich car without number plates failed to stop at the no 10 checkpoint in the suburb of Nazran, the Ingush Republic. Police and soldiers manning the checkpoint fired into the air and then at the car in order to force the driver to stop. After that the car disappeared in the direction of Chechnya.

Over the past twenty four hours 20 people were detained for violating curfew, 17 crimes and accidents were registered. Some 8,000 cars were checked. Seven units of fire arms, grenades, explosive devices and hundreds of ammunition were confiscated from locals.

The Russian Interior Ministry and investigators of the republic of Bashkortostan have cut short an attempt to draw 487 million roubles from a bank in Ufa under false documents. Two residents of Chechnya were detained. An advice of payment was sent by telegraph from a commercial centre in the town of Malgobek, Ingush

Republic. Criminal proceedings have been started. Earlier, investigators found that an advice of payment sent by the same commercial centre to banks in Kemerovo and Moscow, to a value of 4.65 billion roubles, was also false.

At the same time the Russian Interior Ministry continues a search for missing people and hostages in northern Dagestan and Ingushetia. There were registered 285 such applications.

According to North Ossetia's State Committee for Nationalities Issues, negotiators are drafting documents for a meeting of experts between North Ossetia and Ingushetia on refugee problems due to be held in Kabardino-Balkaria on March 10-11.

The federal migration service is checking lists of forced migrants from the Ingush Republic living on the territory of North Ossetia.

Blast at St. Petersburg Rocket Fuel Plant Kills Three

MK0403142893 Moscow MOSKOVSKIY KOMSOMOLETS in Russian 4 Mar 93 p 1

[Unattributed report: "Petersburg Almost Done For"]

[Text] An immensely powerful explosion broke the quiet of St. Petersburg last night and terrified the residents of the city's outskirts in Krasnogvardeyskiy district.

MOSKOVSKIY KOMSOMOLETS was told at the Emergency Medical Treatment Center of the Russian Health Ministry that Okhta's "Plastpolimer" chemical plant experienced such a blast at 0300 that three out of five night shift workers who happened to be close by in a workshop were literally blown to pieces. The other two were lucky—they lived.

Contacted by phone, St. Petersburg's Emergency Medical Treatment Center told MOSKOVSKIY KOMSOMOLETS that their medical team and medics from the Sanitation and Epidemiology Service who went to the scene were not even allowed on the plant's premises. The point is that this is a closed enterprise producing rocket fuel. Fortunately, the medics said, no leakage of any poisonous substances occurred, although the city did face a terrible threat. The two young men who survived the blast were transported to St. Petersburg's Aleksandrovskaya Hospital.

Sakhalin Oblast Soviet Attempts To Dismiss Fedorov

OW0503051093 Moscow Russian Television and Dubl Networks in Russian 0600 GMT 3 Mar 93

[S. Chudinov video report; from the "Dalniy Vostok" program]

[Text] At the session of the Sakhalin Oblast Soviet, passions surrounding the governor ran hot, as if all of the oblast's misfortunes were personified by Valentin Fedorov.

[Begin recording] [Chudinov] We will say at the outset that we have never had such a session on Sakhalin before. For the first time, the representative authority in the shape of the Smaller Soviet came out in open confrontation with the administrative authority. On the first day of the session's work, on 22 February, the body of deputies still had not understood the full depth and reasons for such confrontation. However, soon the real state of affairs of the political game became clearer. The Smaller Soviet prepared the ninth session with precise calculation; to find a sure way to dismiss Valentin Petrovich Fedorov, the Sakhalin governor. However, the body of deputies decided to investigate the reasons for such haste, and arrived at a precise diagnosis; the struggle for power, which pervades all levels of authority structures in Russia, including Sakhalin. During the discussion of the oblast administration's accountability report, serious criticisms were directed at the executive authority, and at Governor Fedorov himself.

The session turned from political passions to a discussion of the deficit budget, which is incapable of completely ensuring the normal development of our Sakhalin cities and rayons. The deputies actively sought personal sources of finance to supplement the meager budget of our Oblast.

Incidentally, on the eve of the session, at the behest of the Smaller Soviet, scientists and economists from Novosibirsk carried out an instant analysis of the Sakhalin administration's activities, and the results of the analysis showed that the development of Sakhalin Oblast in some parts completely conforms with the situation in our country. In some parts we are badly off, but in many we are in a somewhat advantageous position against the background of the rest of the country.

The next few days will show what will win out at the session of the Sakhalin Oblast Soviet—reason, or the destructive revolutionary element. [end recording]

Fedorov Names 'Factors' Seeking Ouster

OW0503044593 Yuzhno-Sakhalinsk Television Feed in Russian 1555 GMT 2 Mar 93

[Unidentified correspondent's video report with remarks by Sakhalin Governor Valentin Fedorov; from an unscheduled television feed; place and date not given]

[Text] [Correspondent] A regular session of the Sakhalin Oblsovet [Oblast Soviet] has ended. In a way it discussed the budget for the current year, problems of social and economic development of the Kuril Islands, and other issues. I said "In a way" because the deputies rushed through all of these vitally important issues on the very last day of the session, on which they wasted 20 million rubles. Yet for five days they heatedly talked about how to fire the Governor—academician economist Valentin Fedorov.

[Begin Fedorov recording] What is the matter? For a period of three years Sakhalin was a leader of transformation in Russia. We accomplished a lot and were the first to do many things. Nizhniy Novgorod, Novosibirsk, Penza, and Volgograd, which are now also among the leaders, began all this after us and possibly with consideration of our experience.

There are now three factors operating against me. The first one is of course the dissatisfaction of part of the population with its lot. Here there is nothing I can change. We cannot overcome inflation with local resources or the sporadic delivery of goods, particularly of such vital ones as fuel, for example.

The second factor is the mafia; the trade and fish industry mafia. For decades, groups have formed here which have received profits from natural resources, and particularly from fish. Some have already been deprived of their interests—I dug pretty deeply—while some are now faced with this prospect.

And the third factor is the anti-Kuril lobby. Their connections reach all the way to Moscow, and even abroad, while we receive no assistance from anywhere. On the contrary we, the oblast administration, are struggling with the Smaller Soviet, and with some of the reactionary deputies, and if we do manage to do something with ease I am always surprised: How can this be? Why? Could there be intrigues behind this too? [end recording]

[Correspondent] Unfortunately, the majority of Sakhalin deputies have forgotten their main responsibilities. Every month the cities and settlements get filthier. Every day the lines at bus stops become longer, and breakdowns in the water, electric power, and heat supply systems are becoming more and more frequent, particularly in the Kuril Islands. There are settlements where the people have to go without bread for weeks. Crime is on the increase. The people's deputies are not in a hurry to help their voters. For example, Russian people's deputy Timofeyev has not visited his electoral district in the long suffering Kuril Islands even once in three years. Yet not a single deputy has tendered his resignation or expressed a no-confidence vote in himself.

International Affairs

Experts View Legal Aspects of Nuclear Policy

LD0603102893 Kiev UKRINFORM in Russian 2135 GMT 5 Mar 93

[Text] To take into account Ukraine's vital interests, Ukraine, as a sovereign state, is free to choose its nuclear policy, in the legal respect. Experts of a deputies working group, set up by the presidium of the Supreme Council of Ukraine for ratification of the START I Treaty, have reached this conclusion.

Speaking today at the first open hearing of political and legal aspects of the international treaties on disarmament and nonproliferation of nuclear weapons, in which representatives from the corps of deputies and Ukrainian and foreign journalists took part, they noted that Ukraine has unilaterally taken some obligations on itself in this respect, as a result of political decisions.

The parliamentarians and experts emphasized that the problem of Ukraine's nuclear disarmament has turned into a means of international blackmail for a number of states. The discriminatory essence of certain clauses of the Lisbon agreement for Ukraine, and many shortcomings of the nuclear Nonproliferation Treaty, were also noted. The treaties ought to be signed taking into account Ukraine's vital interests, with guarantees of its security and economic compensation, the speakers pointed out.

Open hearings will also be held on issues of military policy in the sphere of nuclear disarmament, its ecological aspects, and technical and social problems.

Officers Call Russian Leaders' Statements 'Threatening'

OW0503191093 Moscow INTERFAX in English 1848 GMT 5 Mar 93

[Following item transmitted via KYODO]

[Text] Some of the officials of Russia's supreme power structures are waging a "violent attack" at Ukraine, threatening the republic's independence, reads the statement released by the Ukrainian Officers' Union in Kiev on March 5.

The authors of this statement are denouncing the Russian president's claim of special powers for Russia as a guarantor of peace on the territory of the former Soviet Union. The RF [Russian Federation] foreign minister, Andrey Kozyrev, the statement reads, "resorts to coarse attacks and insults with respect to the Ukraine," while Commander-in-Chief of the CIS. JAF [Joint Armed Forces] Yevgeniy Shaposhnikov "voices his claims to the Ukrainian government and armed forces, although the Ukrainian army is not included in the CIS JAF." The Ukrainian Officers' Union has expressed support to the efforts by the Ukrainian President Leonid Kravchuk and Defense Minister Konstantin Morozov in building independent Ukraine and its armed forces, renouncing "any claims by the CIS JAF Command and Russian Defense Ministry in regards to the Ukrainian armed forces, as well as strategic missile forces deployed on the Ukrainian territory." The Ukrainian Officers' Union, which was set up in 1991, links with the republic's national democratic parties and is included in the Anti-Imperial and Anti-Communist fronts.

Supreme Council Calls Russian Policy on Crimea 'Unfriendly'

AU0803095593 Kiev HOLOS UKRAYINY in Ukrainian 4 Mar 93 pp 1, 2

["Statement by the Presidium of Ukraine's Supreme Council" adopted at the session of Ukraine's Supreme Council Presidium on 1 March 1993]

[Text] On 25 December 1992, the temporary working commission dealing with the status of Sevastopol that was created by the Supreme Council of the Russian Federation on the initiative of the Seventh Congress of People's Deputies of the Russian Federation distributed among the people's deputies of the Crimean Republic a letter containing provocative questions, a letter that challenged the existing status of the Crimean Republic and of Sevastopol.

The formulation by the supreme legislative bodies of the Russian Federation of questions about supporting a discussion of the status of Sevastopol by the Supreme Council of the Russian Federation, about creating confederative relations between Russia, Ukraine, and the Crimean Republic, and about the need to cancel the moratorium imposed on holding a referendum on the state independence of the Crimean Republic can only be regarded as open interference in the state affairs of Ukraine and attempts to encroach upon the territorial integrity of a sovereign state—a member of the United Nations and a participant in the Conference for Security and Cooperation in Europe recognized by the world community.

The attempt on the part of the Supreme Council of the Russian Federation to resolve problems that are within the exclusive jurisdiction of the supreme bodies of Ukraine's state authorities is a blatant violation of Articles 1 and 6 of the agreement reached between the Ukrainian SSR and the RSFSR on 19 November 1990 and also of Article 5 of the agreement on the creation of the Commonwealth of Independent States, articles that contain obligations to respect each other's territorial integrity and the inviolability of existing state borders and to refrain from actions that may impair the state sovereignty of one of the sides.

The Commission's action as generated by the resolution adopted by the Supreme Council of the Russian Federation with regard to Sevastopol violates the universally recognized principles and norms of international law, the UN Charter, and the principles proclaimed in 1995 by the CSCE Final Act, in particular, the principles of sovereign equality, respect for the rights inherent in sovereignty, respect for the territorial integrity of states, noninterference in internal affairs, and the conscientious fulfillment of obligations laid down by international law.

In view of the above, the Presidium of Ukraine's Supreme Council regards the aforementioned action by the commission of the Russian Federation Supreme Council as an unfriendly one with regard to Ukraine.

Today, in view of the extremely complex socioeconomic and political processes that are under way in Ukraine and in the Russian Federation, it is necessary to do everything to adhere firmly to the universally recognized norms of interstate relations. Proceeding from all of this, Ukraine is consistently making every effort to continue to ensure friendly relations with all states, including the Russian Federation, relations based upon equality and respect for one another's sovereignty and territorial integrity. We insist that the Russian Federation should also build its policy toward Ukraine upon the same principles and should refrain from actions that may be detrimental to the fundamental interests of both countries and to the interests of peace and security in Europe.

Government Accused of 'Artificial Policy of Isolation'

MK0603161193 Moscow NEZAVISIMAYA GAZETA in Russian 6 Mar 93 pp 1, 3

[Vladimir Skachko article: "Industrialist Deputies Call Leonid Kravchuk's Russian Policy Anti-National. Russian and Ukrainian Premiers Will Meet As Soon As They Get Well"]

[Text] On 4 March the republic's parliament examined the government's implementation of the decree "On the Socioeconomic Situation of Ukraine and on Social Security for the People" of 27 January this year.

Viktor Pynzenyk, vice premier responsible for economic reform matters, who reported on this question, said that 86 proposals on tax concessions had been received from the deputies, which would require additional state budget expenditures totaling 2.8 trillion karbovanets, and that the government would not agree to do this.

Industrialist deputies accused the government and President Leonid Kravchuk personally of pursuing an artificial policy of isolation from Russia, which has led to a virtual blockade of Ukraine by the Russian side and has jeopardized the spring sowing work with fuel shortages. Deputy Vasiliy Kozarenko said that at present an economic blockade was being imposed on Ukraine against energy supplies from Russia and that its lifting could only be ensured through political means, and therefore it was necessary to hear a report from Leonid Kravchuk on domestic and foreign policy. Deputy Leopold Taburyanskiy described the present situation as an "economic catastrophe." "The time for dialogue with the Ukrainian president has passed. I suggest that Leonid Kravchuk be immediately summoned here and obligated, along with the chairman of the Ukrainian Supreme Soviet and the prime minister, to urgently go to Moscow and find partners for talks there and ensure the lifting of the economic blockade. It has been brought about by Leonid Kravchuk's misguided antinational policy toward Russia. Leonid Kravchuk must be summoned here and told not to go too far."

Viktor Pynzenyk attributed Ukraine's hard economic condition to the fact that the government had failed to agree with the Russian side on mutual financial settlements and energy prices. Speaker Ivan Plyushch stated that Russian premier Viktor Chernomyrdin and Ukrainian premier Leonid Kuchma were ill at the moment and that this was the only reason for delaying the planned meeting between the two premiers.

After a stormy debate no resolution was passed since the deputies could not vote for any of the proposed options. The deputies' standing commissions on economic matters were instructed to finalize the draft document.

By the evening of the same day Ivan Plyushch reported that as a result of a telephone conversation agreement had been reached with the leaders of the relevant Russian departments to "open the valve, which had indeed been shut, and let energy supplies into Ukraine." Toward the end of the session representatives of parliamentary commissions on the development of the agroindustrial complex and the social protection of the people repeated their demand to have the government make a report after 16 March and to demand from it an economic reform program. Ivan Plyushch confirmed that the scheduled meeting between the two premiers would take place as soon as they had recovered.

The discussion of the decree on the maximum size of contributions for political parties provoked another upsurge of political confrontation. The standing parliamentary commission on legislation and legality proposed that it should be established with respect to all political parties in the amount of 200,000 times the minimum wage. The commission, according to Taras Stetskin, was guided by the considerations of providing equal financial conditions for all parties so as to prevent them from turning into lobby groups for individual financial circles. Democrat deputies supported the commission, but their colleagues from the ex-communist majority announced that a decree of that kind would support artificial party organizations and enable them to claim seats in the power structures. Socialist deputy Vladimir Marchenko said: "Let everybody go to the labor collectives and win their mandates there and not count on multiparty elections."

No resolution on this question was adopted either. Concerning the anxiety on the part of the socialist deputies that democratic parties could be financed from abroad, Ivan Plyushch recalled that in their time the Bolsheviks also received money from abroad. As for the talk about the restoration of the Ukrainian Communist Pparty, Plyushch said: "There can be no question of restoring the Ukrainian Communist Party. Only a new communist party can be formed in Ukraine. All the prerequisites exists for that in Ukraine, and there should be no more talk on this subject in parliament."

Friendship, 'Suspicion' Mark Kiev Discussions

MK0803060193 Moscow NEZAVISIMAYA GAZETA in Russian 6 Mar 93 p 1

["G.R." report: "'Elder Brother' and 'Younger Brother' Cannot Get Rid of Their Complexes As Yet. All Problems of Mutual Relations and Grudges Unofficially Discussed in Kiev"]

[Text] A Russian-Ukrainian conference entitled "Ukraine and Russia: Present and Future" was held in Kiev the other day. The conference was sponsored by the International Institute of Global and Regional Security (Kiev) and the Council for Foreign and Defense Policy (Moscow). All participants in the conference were attending in their own personal capacity. The body of participants was rather representative, however. Ukrainian participants included V. Durdinets, first deputy chairman of the Supreme Soviet; D. Pavlychko, chairman of the Supreme Soviet Foreign Affairs Committee; A. Yemets, Ukrainian presidential adviser on political questions; and others. Russian participants included G. Berdennikov, deputy foreign minister; Ye.A. Ambartsumov, chairman of the Supreme Soviet Foreign Affairs Committee; A. Bratukhin, deputy chairman of the Russian Federation Committee for Defense Sectors of Industry; and Yu. Dubinin, head of the Russian Federation Delegation for Talks with Ukraine. Also taking part were S. Karaganov, N. Shmelev, Ye. Kozhokin, A. Migranyan, A. Salmin, A. Tsalko, K. Zatulin, and others.

For two days there were very frank and pointed discussions involving the topics of the "elder brother" complex on the part of Russia and of the "younger brother" on the part of Ukraine, as well as the topics of the Crimea, gas and oil deliveries, nuclear differences, etc.

Some of the Ukrainian participants spoke in their mother tongue as a matter of principle.

The overall impression from the conference is that the level of suspicion in relations between the two countries matches the level of their traditional friendship. The latter was boosted around the dinner table, while suspicion held the pulse of the discussions. Everyone parted as friends, however.

Sevastopol Deputies Urge Decision on Black Sea Fleet

LD0503161693 Moscow Mayak Radio Network in Russian 1430 GMT 5 Mar 93

[Text] The people's deputies of the Sevastopol city soviet have decided to propose to the parliaments and presidents of Russia and Ukraine that they should make a final decision without delay about the Black Sea Fleet and, before this, remove the staff and units of the Ukrainian Naval Forces beyond the boundaries of the main base, so as to avoid an imminent conflict.

Officers Suggest Moving Ships From Baltic to Black Sea

OW0603142193 Moscow INTERFAX in English 1400 GMT 6 Mar 93

[Following item transmitted via KYODO]

[Text] The coordinating council of the officers' assemblies of the Black Sea Fleet on Friday [5 March] suggested to the fleet's command that some of the Baltic Fleet vessels be moved to the Black Sea and based at Sevastopol. All the ships, the officers insist, should be included in the Russian Black Sea Fleet.

The council also proposed that accommodation in the Sevastopol garrison be evenly distributed among Russian and Ukrainian officers. The garrison's commander should be appointed jointly by the Russian and Ukrainian commands, the council suggested.

National Affairs

President Kravchuk Interviewed on Current Issues

LD0703174893 Moscow Ostankino Television First Channel Network in Russian 1220 GMT 7 Mar 93

[Phone-in interview with President Leonid Kravchuk in Kiev by journalists in Moscow, hosted by Andrey Skryabin; live—from the "Live Dialogue" program]

[Text] [Skryabin] Hello, esteemed television viewers! Today you will have a 40-minute meeting in the Live Dialogue program with Leonid Makarovich Kravchuk, Ukrainian president. He is now in the studio in Kiev. Good day, Mr. President! We are pleased to see and hear you. Thank you for agreeing to take part in our program and conducting this broadcast in Russian. Allow me to introduce my colleagues. They are Lyudmila Telen, observer of the MOSKOVSKIYE NOVOSTI newspaper, Yuriy Semenov of the Mayak radio station and me, Andrey Skryabin, Ostankino television observer.

I would immediately like to tell our viewers that we have a multi-line telephone working. Its number is—the code is 095, it is a Moscow number—so, you can see it now, 217 45 63, although I have to warn you that, evidently, do not call in the next two or three minutes, since our cable has ceased functioning and it is now being repaired in this studio. I will permit myself to begin our program by giving Leonid Makarovich Kravchuk the floor. Go ahead, Leonid Makarovich.

[Kravchuk] Good day, esteemed television viewers! First I would like to greet all our viewers and offer greetings on the forthcoming 8 March holiday, to wish them well and happiness, health, and spiritual strength to deal with those difficulties which have appeared on our path. Since there is Lyudmila Olegovna Telen among the journalists present in the television studio, I would like to offer her separate greetings.

I would also like to thank Ostankino for the opportunity to appear and put forth the official Ukrainian stance on many issues. I am stressing this in particular because often Ukraine's stance is judged not by official declarations and documents, but by the speeches and announcements of individual leaders, which leads to misunderstandings in assessment and conclusions. I would like to say straight away that Ukraine's stance is the stance and mood of a democratic, law-based, civilized state. A state which has the intention, and is doing everything for good, friendly relations of partnership with all states.

We are constructing our separate policies toward the CIS states. We highlight our relations with Russia as particularly important. This is understandable, since Russia is our great neighbor. We are linked with Russia by economic, political, diplomatic, and spiritual relations in all aspects of life in our society. We should therefore like these relations to be friendly, equal, and on a footing of partnership. I want to say that Ukraine is doing everything it can to achieve this. I should also like to recall that all the recent meetings with the Russian president—I do not take this as a personal merit on my part or Ukraine's part—came about and occurred at Ukraine's initiative. This shows that Ukraine does not only make verbal declarations, but also initiates meetings and prepares relevant proposals and documents. Many of them have been signed. To our great regret—I think both Russia and Ukraine are to blame for this, or perhaps it is too abstract to speak about Russia and Ukraine, rather certain services and administrative structures in Russia and Ukraine are to blame for this—the signed documents are not always being implemented. This is greatly damaging our relations.

I should like to appeal to the viewers listening to our program today, in view of the fact that we are on the eve of a holiday and also the fact that previous difficulties have grown 10-fold, to see that we conduct this meeting in a calm and reasoned way and attempt to answer all the most difficult and complex questions. I am ready for such a discussion.

[Skryabin] Thank you very much. Leonid Makarovich, permit me in continuance of what you have been saying to ask the following question. Your position, I think, in respect of the CIS and Ukraine's participation in one way or another, so to speak, in this community is well known. Nevertheless, I would be interested to know, and the viewers have been asking today, whether the price that Ukraine will pay in the event of its departure from the common economic and perhaps the common ruble space is justified, and so on.

[Kravchuk] There is an economic space and there is a ruble space. I do not think that the economic space should be linked with the ruble space. Take the European Community or European space—all EC states have their own currency, but this does not prevent them from cooperation and from having sensible and effective economic relations. Unfortunately, many people here have a stereotyped mentality.

The point is that Ukraine has been and is an advocate of economic integration. We not only simply state this, but we brought two documents to the last meeting in Minsk which we proposed for signing an economic agreement within the CIS framework. As for preserving the CIS present status and the participation of Ukraine in this status, I am deeply convinced that the main target of the CIS states is to sign an economic agreement in order to open a way for economic cooperation.

[Skryabin] Thank you.

[Semenov] Leonid Makarovich, I have a specific query in connection with the previous question. The ruble and the karbovanets. If I understand correctly, by the end of the year Ukraine is going to introduce internal convertibility of the karbovanets, that is, Ukrainian citizens will be able to exchange it into any convertible currency. At the same time there is a problem of the karbovanets' fast inflation. Recently an attempt was made to sell it at the Moscow Hard Currency Exchange and it failed.

[Kravchuk] I would like to say that our karbovanets has all negative sides of the coupon and all negative sides of the ruble. That is, it has inherited the worst things. This is not the best monetary unit at present. We said from the very beginning that it was a unit of the transitional period and that it should bear all blows of the economic reform, including financial and monetary, and we should switch to a monetary unit which will be called "hyrvnya". The hryvnya will have internal convertibility and accordingly it can be exchanged into any other monetary units, such as the ruble and other monetary units in the Commonwealth.

[Telen] Mr. President, in our Commonwealth of Independent States economic problems very often become a political weapon. This concerns gas in Russian-Ukrainian relations in particular, and hard currency in the past, and the debts problem, etc. Could you please say, what is your attitude to economic levers being used as a means of political pressure?

[Kravchuk] I am against making economic relations dependent on other factors, above all political factors, such as solving the problems connected with the Black Sea Fleet, or solving problems linked with strategic nuclear forces, or other problems. If this is used as a means of economic pressure, then everyone must know precisely and clearly that it is violating established international principles, and I am against economic pressure. I am in favor of developing economic relations expediently, because they affect millions of people.

Let me give an example. Recently I was in Lugansk at the diesel engine construction works, which supplies 97 per cent of diesel engines to all the countries of the CIS. The

Russian Ministry of Railways owes the factory 1.5 billion rubles. This has been the case for six months now. They are appealing to various bodies. I was asked this question: Russia is right in being extremely concerned about its own people—that is, the people of Russia. In the same way, Ukraine is concerned about its own. Please tell us: There is a majority of Russians working at our factory, the majority of people living in Lugansk Oblast are Russian, but they cannot get money for the products they supply to Russia. Tell me how I am to answer that question.

[Telen] How did you answer?

[Kravchuk] I said I think it is a misunderstanding and it will be solved, but they say that it has not been solved for six months now. Can't you come to an agreement? After all we have manufactured the product and supplied it, and we are not being paid.

[Semenov] Leonid Makarovich, our conversation has already begun to cover the relations between Ukraine and Russia, but within a specific example. There is a question which has been bothering me for a long time. As a journalist I have on several occasions been present at your meetings with Boris Nikolayevich Yeltsin. As a rule, you always agree either on everything or on almost everything. We all remember Yeltsin's famous words, to the effect that, the Ukrainian president and I are like this, Boris and Leonid. [Video shows Semenov with raised hand, showing two fingers held tightly together.] Then, as you have already said, certain accords disintegrate, something is not carried out. One gets the impression that somewhere within the structure of Ukraine's and Russia's apparatus there seems to be some kind of unclean force which is complicating relations. That looks particularly unattractive in the foreign policy sphere, when two neighboring and related states come out in the international arena with uncoordinated positions, some sort of public statement which is even dilettantish in nature. What would you say about that?

[Kravchuk] That worries me too, but you know, I do not think it is just relations between Ukraine and Russia or between the two presidents. To my deep regret. For more than five years—perhaps six, even—I have been observing what happened in the former Union, when no decision made at any level was carried out. No doubt this has become some sort of disease within our power structures. I too am asked: How can this be? You meet, drink champagne, and sign good documents, and then everything disappears into the sand. I think our administration today, from the Cabinet of Ministers to the customs men, has been politicized to the point whereby it measures all issues through the prism of politics. We even receive telegrams saying: If you want to get on well with us, hand over the Black Sea Fleet—signed by the manager of such-and-such a factory.

There you have the answer to your question.

[Telen] Leonid Makarovich, I will permit myself to disagree with a colleague who sees certain structures of the apparats as being mainly to blame for the fact that certain decisions are not carried out. It does seem to me that contradictions—real contradictions—exist, and that is why it is difficult today to implement the accords—many good accords. Specifically, within the CIS we are seeing very interesting processes. The Central Asian states, despite the contradictions that also surely exist between them, are finding common ground; in any case their contradictions are less visible than those in the states of the so-called Slavic part of the Commonwealth. Sadly, the main pivot of the contradictions passes along the line Ukraine-Russia and Russia- Ukraine, and not Ukraine-Belarus for example, or Belarus-Russia. Why is that this axis is so troublesome in relations between our states?

[Kravchuk] First of all I want to say that clearly one must not dramatize those controversies that exist, because when a whole is divided and the parts from the great whole want to become states, a great number of problems arise—problems of ownership, political problems, and others. And one must not dramatise them—it is an objective inevitability. Why between Ukraine and Russia? Because they are the largest states, the most relations existed between us. After all, 80 percent of Ukraine's links were with Russia, and only 20 with the other states. The more links there were, the more mutual links, then today, when it is necessary to put all those links and mutual links on a civilized basis, of normal relations, acute problems do arise. However, we must have the wisdom and patience to solve them by negotiation, discussion, flexibility, and mutual concessions.

[Skryabin] Thank you. Nonetheless, Mr. President, I would like to return to, to get away from the subject, from conversations about relations between Russia and Ukraine and return to the domestic political and economic situation in Ukraine. Today, quite recently, a resolution was adopted on a certain revival, if you like, of the system of state ownership. How does the establishment of such administrative relations interface with the stance occupied by both you and your government on the development of economic reform, privatization, and so forth?

[Kravchuk] I think that there is a logic here. After all, the main share of ownership is state ownership, and the state cannot renounce its administrative functions.

I think that we made a mistake at the very beginning when we attached serious credence to the view that privatization, demonopolization, and all the rest could proceed without state participation.

I am convinced that reform can only take place in combination with transformation. Especially the reform of industries belonging to the agro-industrial complex, the heavy industries, the so-called baseline industries. Therefore, there is nothing extraordinary here. After all, many countries—take even Japan or Germany—arrived at a market economy. They arrived with the help of the state, and not through the spontaneity of the marketplace.

The automatic process of market economics cannot operate when property is in the hands of the state. When property is transferred to an owner [khozyayinu], whether he is a shareholder or a private owner, market economics and the law of the market will begin to function. Today they cannot function objectively. The state has to participate.

Therefore, this is a normal process. We were hasty, we made liberalization the cornerstone, and we should have put administrative structures together with liberalization, which would have worked, not hindering a market economy, but leading to a market economy, as is done in many countries.

[Telen] So, Mr. President, we also make common mistakes! We have common problems. I have the following question: In several former republics of the former Union, the political leaders who led these states to independence have already left the political Olympus. I am referring to Zviad Gamsakhurdia, Landsbergis, and Ruutel in Estonia. Evidently they did not manage to avoid some kind of extremely serious errors on the path which they took to the independence of their states. Tell me please, did you manage to avoid their errors, or which of your errors do you consider to be the main one?

[Kravchuk] I cannot say that I have made no mistakes. Building a state is a very complex and difficult process. I cannot say that we have had a lot of experience at it. We have had practically none. We began building our state from scratch, and we made quite a few mistakes. There is one important question: Are the people able to accept both the positive and the negative, and are the people able to understand that building a state is difficult and takes a very long time? Can the people defend to the end the interests of their land and their state?

To my great regret, I want to say that there are forces in Ukraine today which, when the going gets tough, pose the task not of going forward but of turning back. Turning back is the answer to your question, but they do not understand one thing: Turning back today is practically impossible; second, even if someone tried to do so, it could only happen through great suffering and still greater suffering for the people. On top of their economic suffering, the people are now coping with refugees, blood, and everything else that we have in particular regions of the former Soviet Union.

[Telen] What forces are they exactly?

[Kravchuk] Various forces, conservative forces. Today we are having talks and negotiations. There are people who want to reanimate the past, who want us to return to building socialism, for us to return to the Soviet Union, in order to restore party structures to their full volume. And I want to emphasize one idea: that if a Communist Party of Ukraine arises in Ukraine today that will defend the interests of Ukraine, the Ukrainian state, and will declare itself to be national, and will declare that to be its program, then we can cooperate with such a party. If they want to establish on the territory of Ukraine the old party which was the CPSU, which will set as its task a return to the Union, that is, the task of losing Ukraine's independence, I will never be able to cooperate with or support such a party, because that party sets as its task the loss of independence and the loss of our statehood.

[Skryabin] Leonid Makarovich, continuing this theme, I am interested in the problem of feedback between the authorities and the people, the population. You know, and it is no secret, it is the general picture in all the states of the Commonwealth that there is a mounting crisis of confidence in the authorities, because of the difficult socioeconomic situation and the fact that life is not getter any better so far. As president of Ukraine, do you have an objective picture of how the voters, the population, feel about you? Or perhaps, by ancient tradition, are reports that are pleasing to the eye put on your desk?

[Kravchuk] I do not think I have a full objective picture. No doubt, no one has that today, not one of the presidents. I recently visited Donetsk and, just before that, Kharkov, Ivano-Frankovsk, Kiev, and Kiev Oblast; in other words many regions of our state. I know that there are various attitudes toward the president, but nowhere did I come across any open attacks on the president.

By and large, people understand the situation. Should we manage today to unite all forces and not divide people, not direct them into confrontation, I am convinced that we would then solve all problems quicker. In order to have the whole picture, however, every man and woman must be polled. You understand that this is an unreal thing to do. Of course, against the background of the economic disarray, complications, and the deepest crisis, as it were, the popularity rating of those who came to power earlier is going down. I understand and can explain this. However, popularity rating is one thing, but people's desire and wish and intent to overcome difficulties is a totally different thing. In order to encourage these sentiments in people, to strengthen their spirit of achievement, different parties and movements must not stir people up against one another, as sometimes happens now when Ukrainians are set against Russians, or vice versa. This is fraught with severe complications, very severe indeed. I would steer clear of it in every word, because we are to share one land together, we are to have a border which should unite us, not divide.

[Skryabin] Thank you, Mr. President, I would like to ask you the following question, though I cannot really see to whom it should be addressed specifically. Many viewers discuss the problem of relations between the executive and the legislative power; they discuss this problem in relation to issues concerning Russia. Here is a question to you, if I may. How would you assess the relationship between the executive and the legislative power in Ukraine?

[Kravchuk] You see, the whole of not only our own history, but that of Russia, of Ukraine and other states, demonstrates that contradictions between the legislative and executive estates are inevitable. Contradictions are one thing, and confrontation is another. Discussing and finding solutions is one thing, and having a tug of war to discover who is more senior, and who is greater and who is stronger, who is more clever, is another. This is a somewhat different level. I think that today a tug of war is going on in this particular direction. Instead of a civilized, intelligent solution of these issues by adopting appropriate laws and agreements, the podium of the congress or the podium of the Supreme Soviet is frequently used as a political podium, and this simply has to be taken into account as an interim period. I think that it is the obligation of both the legislative and executive estates to find a solution to these issues. Today we have to find a way to cooperation, interaction, and not a way to confrontation.

[Semenov] And now, if you permit me, a question concerning Ukraine's foreign policy. You know that there are certain nuances in the problem of nuclear weapons, nuclear disarmament which, perhaps with some justification, perhaps because of a misunderstanding, give rise to concern among a certain part of the world community. Could you use today's opportunity to once again explain your stance?

[Kravchuk] Well, our position is defined in documents adopted by the Supreme Soviet: That Ukraine is striving for non-nuclear status, and that this striving constitutes a political course. And this is not simply a declaration, we have also set about examining and studying those documents that were signed in Lisbon, START I and the treaty on nuclear non-proliferation, that is, we are now working on these documents, but naturally, Ukraine would like to find out the consequences.

First, how is it to fulfill and can it fulfill START I? Will there be appropriate guarantees for Ukraine, which is to get rid of nuclear weapons? Will there be appropriate organizational, financial and other support? Because the elimination of nuclear weapons, as we understand it, is an extremely expensive business. And today, when we find ourselves in this crisis, and we need to tackle questions connected with social welfare, we cannot direct huge sums from our budget into the elimination of nuclear weapons. And that is why we have put the question in this way: Yes, our course is unchanged, but we must have political guarantees, financial support, and appropriate compensation equivalent to the expenditure borne by the state and to the valuables which the nuclear warheads represent. That is, our course is unchanged.

[Semenov] Thank you.

[Telen] Mr. President, in the Russian Federation they talk a lot about a threat to the integrity of the Russian Federation. Contrary to Russia, Ukraine is not a Federation, nevertheless some regions do have their individual peculiarities. The eastern and western regions of Ukraine have their own peculiarities. Could you please say whether there is a real danger of regionalization in Ukraine and if there are any processes connected with the isolation of some regions and territories?

[Kravchuk] I had an opportunity to be convinced that the main problem in the eastern regions is a fair distribution of the budget. They put the question correctly: The regions which make a contribution to the budget should receive much more from it. There should be no leveling and there should not be a situation when those who pay more receive less. This is the main problem. I did not see political problems in the eastern regions, which would become a matter of principle with regard to creating some autonomous structures and dividing Ukraine into parts. There is only one such issue in the Crimea—although these forces seem insignificant to me—the forces which are raising the issue of the status of the Crimea and the place of the Crimea at present, ignoring both the Constitution of Ukraine and the Constitution of the Crimea itself, admittedly with help from some political structures outside Ukraine.

[Skryabin] Thank you. Mr. President, let me ask you several questions on behalf of the television viewers. The largest bundle of questions are questions connected with the Crimea, about which you have just spoken. I would like to be most polite, however, and read out some of them.

[Kravchuk] Read what is written there.

[Skryabin] Of course, I will do that. A question from Moscow: We have given the Crimea to Ukraine, and by this act laid the foundation for hostility between Ukraine and Russia for many years ahead. The Crimea is our common land. Why has there not been a referendum so far in the free Crimea? A question from Klavdiy Petrov from Moscow. And so on and so forth. Admittedly, there are different questions: Why should Russia resolve the problem of Ukrainian territory? I would put my question this way: What measures are you, as president, taking in order not to allow confrontation in Sevastopol, and to resolve the problem of the Black Sea Crimea Fleet in a peaceful way? I would put it this way.

[Kravchuk] First of all, I issued an instruction that a program of turning Sevastopol into a separate economic zone should be drawn up quickly. I think that taking into account the status and the particular features of Sevastopol, this will be one step toward the people of Sevastopol living under what I would call a special sort of regime. That is the first thing.

Second, we examined all the proposals that Sevastopol presented to the Government, and we are giving Sevastopol all the assistance we can, on the understanding that that town is geared up to service the Navy, the Black Sea Fleet, and that it has no other structures capable of reviving its economic life. That is to say that this town needs assistance. These are the two things I can talk about today.

But you see, the Fleet is still at Sevastopol, and it is proper to insist that the officers and commanders of the Fleet need to resolve this problem now; that is to say, they should sign all the agreements which were worked out at the famous Yalta meeting, which you mentioned, when Boris Nikolayevich and I announced that we would even talk to each other using the familiar form of address. The documents on the Black Sea Fleet are ready. The talks are very difficult and very complicated. When I visited Moscow in January and had a meeting with Boris Nikolayevich Yeltsin—there was a meeting of the delegations—I discovered a very important detail. Russian mid-ranking officials—I am not talking about top level in this case—announced at that meeting that the prepared agreements could not be signed. I asked why. I was told that for these documents to be signed Ukraine should say that Sevastopol was a Russian town. I said: Gentlemen! This is outside my competence. This is the first. The second, where will you find a leader who will sell land today? I am not talking about the historical aspect of this problem. If one puts the question this way, everyone will know in advance—it is insolvable.

If today we begin discussing the issue of handing Sevastopol over or changing its status, it will be a dead end. I said that we should resolve issues within the status quo, then we can move on to other problems. It is possible that on the basis of international principles Sevastopol can be regarded as a separate military navy base, but to begin by admitting that it is not a Ukrainian town resolves nothing. This is the problem.

Therefore, from the very beginning I said that we should respect one another, respect the historical factors and the present-day realities, and we should not think, as some are saying, including those who stand at the level of political leaders, that if we do not resolve the issue of Sevastopol and the Crimea today, then the next generation will settle it anyway, but with considerable bloodshed. First and foremost, I do not think that the next generation will be more stupid than we are. History shows that they are really more clever. The second thing is that they will be calmer. There will not be so many economic difficulties and other difficulties for them.

Today, therefore, we have to resolve what we can. What cannot be resolved today should be postponed till tomorrow. That is what, incidentally, the ancient Greeks used to say: Do what you can today and do not try to do today anything for which conditions may not be there and which should therefore be done tomorrow. The point is that the necessary conditions are currently not there.

[Skryabin] Thank you. Leonid Makarovich, here are some questions from viewers. The second largest number of questions, next to those on the Crimea, concerned dual citizenship. Sergey Ivanovich Krasnoshchek from Moscow asks whether there will be dual citizenship. Millions of Ukrainians are wondering about this. Platonov from Kiev asks whether he has the right not to adopt Ukrainian citizenship and to remain Russian while living in Kiev. Gorbach from Moscow asks whether a Russian will have the right to have dual citizenship, etc etc. Incidentally, Leonid Makarovich, Lyudmila Telen represents the Ukrainian diaspora in our studio.

[Telen] I am not laying any claims to Ukrainian citizenship.

[Kravchuk] What I would like to tell you is that we have adopted a law on citizenship in the Ukraine. This law provides for dual citizenship only in cases where there are interstate agreements. In Moscow we have signed a communique in which we outlined the need to prepare certain documents, drafts and reflections to resolve the problem. I want those who raise this question to know that there are citizens and people with dual citizenship. In other states dual citizenship laws envisage first, that people with dual citizenship are not allowed to serve in the army. They are not permitted to carry out certain types of work in state service. They cannot run in elections and cannot be elected. If we and the Russians manage to resolve this issue, then considering that the process of privatization of state property is now under way, additional problems connected with the right of ownership etc will arise. In other words, dual citizenship will not be perfect if we are guided by current laws and international practice.

Before we talk of dual citizenship, I must first think whether it will yield any advantages to citizens and what obligations Russia and Ukraine must shoulder. After all, 5 million Ukrainians live in Russia, while 12 million Russians live in the Ukraine. We are not talking in terms of scores, but in terms of millions of people, so we must be very careful and serious in approaching this issue and explaining to people the consequences of dual citizenship. Only then should we take decisions.

[Semenov] Leonid Makarovich, I represent here Mayak radio station, we have a big holiday program today, and the main object of the discussion is—what is a real man? How do you see him, in the context of tomorrow's holiday? Both listeners and viewers will be interested to know, I believe, what criteria you would come up with.

[Kravchuk] You know, Lyudmila Olegovna [Telen] is present in the studio, and I believe that a woman should answer the question on a real man, rather than a man. Since you have asked me, I will try and answer. First, this is a man who keeps his word, who understands, or rather perceives such concepts as honor, conscience, responsibility. This is someone who is courageous, resolute, able to defend both his land and women and children. This is someone who treats a woman with respect, who knows how to defend a woman, who is able to sacrifice his personal ambitions when problems of the people and the state are at issue. In this context, I do not only speak of statesmen, but this is a duty of every man—to defend his land, his motherland, to be civilized, cultured, morally prepared for an act of valor.

[Skryabin] Thank you very much. Mr. President, we have two and a half minutes left, may I give you the floor for your final word.

[Kravchuk] I would again like to thank you and all the viewers for this encounter that we have had on the television and to wish you good health, happiness, and well-being. I would like you to attempt to understand each other and attempt to understand Ukraine not just through the general declarations and the superficial views that are sometimes presented. I would like you to understand our desire to build a peaceful, peace-loving, and friendly state and to understand us as people who want to live on a footing of equality with Russia and do not want any more to be a younger brother.

We want to be equal in the direct sense of that word. We are aware of Russia's extent and size and its role in the world, and we do not wish to prevent Russia occupying the place that it should occupy and that it has already occupied by the very fact of its size. However it is necessary also to understand and accept us as we are, because we are people who love our land and will defend it.

To conclude, I would like to address the many millions of my Ukrainian viewers who live in Russia, numbering 5 million as I said before. [following pasasage in Ukrainian] I will address them in the Ukrainian language. I would like to wish them good health, happiness, and well-being. I would like them to take a very active part in those democratic transformations which are taking place in Russia. I would like them to be a stabilizing force. I would like them to take a very active part in those complicated and ambiguous processes that are going on there. For its part, I would very much like Russia to create for you, honorable Ukrainian colleagues, the same conditions that Russians enjoy today in Ukraine, in terms of their culture, traditions, language and so on. To conclude, I would like you to contribute to the mutual understanding between Ukraine and Russia because I am deeply convinced that we will pass through these complicated times, we will pass through the column which has arisen on our road, the column of misunderstanding and we will be friends, we will be partners and we will be equal brothers with equal rights. I wish you happiness and wish you well.

[Skryabin, in Russian] Thank you very much, Leonid Makarovich, for being the guest of our program, thank you all viewers and good bye.

[Kravchuk] I would also like to thank you for the interesting conversation. Good bye.

Belarus

Shushkevich: Status of Supervisory Chamber Not To Change

OW0503161893 Moscow INTERFAX in English 1609 GMT 5 Mar 93

[Report by Andrey Pershin, Andrey Petrovskiy, and Vladimir Shishlin; edited by Boris Grishchenko; from the "Presidential Bulletin" feature—following item transmitted via KYODO]

[Text] The status of the Supervisory Chamber will not change as the institution of presidency is introduced in Belarus, said Stanislav Shushkevich, parliament chairman, at the Thursday [4 March] session of the Chamber. On the other hand, he thinks that "minor amendments" may be made in the status of that body.

IF [INTERFAX] Note: The Supervisory Chamber of the Republic of Belarus is a constitutional financial and economic supervisory agency reporting to the Supreme Soviet. Within six months of its activities, the Chamber has recovered 642 million rubles that had been misappropriated by various factories and organizations.

Shuskevich said that the Supervisory Chamber must not assume the powers of the executive and judiciary branches as, in his words, was the practice of the USSR's Popular Control Committee. The Belarusian leader recalled that when he was the protector, responsible for research activities in Belarusian State University, he was visited by a Committee team. Not only did they audit the University finances but they also gave advice and instructions to Professor Shushkevich on best ways to run research. The head of parliament said that he was reprimanded then for his displeasure over that interference.

The Supreme Soviet Chairman told the Supervisory Chamber staff that they should be polite with those whose activities they audit and not to see them as all thieves and state fund plunderers. "Neither individuals nor organizations can be called criminal until the court so determines," he emphasized.

He said that an increasing number of people's deputies of all levels break the law. He described the refusals of legislatures to let law enforcement agencies open criminal proceedings against deputies or prosecutors deprive deputies of their immunity as "an unhealthy phenomenon."

In response to questions asked by Chamber personnel, the head of parliament said that he objects to setting up a Supreme Economic Council which would report to the Supreme Soviet Chairman. "I know numerous economists having degree who only criticize the government's course but do not propose anything constructive," said Shushkevich. He thinks that it would be more reasonable and efficient to contract economists for specific developments than to set up still another agency.

Shushkevich said that a proposal will be submitted to parliament that the National Security Council have more power. This state body is expected to have the rights its Russian counterpart does.

On repayment of the $124 million to Belarus that are now deposited in Vneshekonombank of the former USSR, Shushkevich said that Russia promised to repay during this year $10 million to the Belarusian government and $40 million to the state-owned company Atlant and to give the cash back to those citizens of Belarus who had invested foreign currency in that bank. "At the moment Russia cannot pay back all the debts because cash is not available. It was devoured by those who used to rule the USSR," said Shushkevich.

Parliamentarians Want to 'Upgrade CIS Institutions'

MK0503164193 Moscow NEZAVISIMAYA GAZETA in Russian 5 Mar 93 p 3

[Igor Sinyakevich article: "Confederation Again? Leading Parliamentary Faction Drafts Statement"]

[Text] At the time the Belarusian parliament promptly responded to the appeal from the Seventh Congress of Russian Federation People's Deputies calling for the integration of the former Union republics. The parliamentarians adopted a statement confining themselves to qualified approval and general declarations about the need to upgrade the CIS institutions. However, since December the mood on the ruling Olympus has changed. As a NEZAVISIMAYA GAZETA correspondent has learned, the leading faction of the Belarus parliament, articulating the interests of the economic nomenklatura, is going to present to the May parliament session a new version of the statement on the Seventh Congress appeal. The draft statement says: "The present-day realities, the deepening total crisis, and the changing alignment of military- political forces in the world call for concerted joint action by the former USSR republics, coordination of the main directions of domestic and foreign policy, mutual assistance, restoration of economic and other links, a common economic, cultural and humanitarian area, the pooling of efforts in the spheres of activity capable of ensuring for our independent states rapid progress, high living standards and a worthy place in the international division of labor, in the world community.

"The Supreme Soviet of the Belarus Republic believes that the idea of rapprochement of the former USSR republics can be translated into reality both by making the best possible use of the structures of the Commonwealth of Independent States and by looking for new forms of interstate links."

There can be no doubt that the majority of parliamentarians will vote for the statement: The text already has some 100 signatures on it.

Thus, a shift is occurring away from the former reliance on the CIS towards a search for new forms of interstate association. Many deputies, in particular Nikolay Grinev, are already talking about the need for Stanislav Shushkevich to report on the implementation of the Belovezhskaya Forest agreements. As is known, the level of integration that was proclaimed in Viskuli has not been even half-achieved.

The change of political orientation in the Belarusian leadership coincided with the signing of Russian-Kazakh agreements on a single economic area, a single currency, and a single army. Apparently the intention is to create within the CIS a new interstate formation with a yet higher degree of integration. There are grounds for supposing that Belarus, Russia, Kazakhstan and Uzbekistan will join this union.

Moldova

Foreign Ministry Worried About Yeltsin Statement

AU0603212493 Chisinau BASAPRESS in English 1853 GMT 6 Mar 93

[Text] Chisinau, BASAPRESS 6/3/1993—The Ministry of Foreign Affairs of Moldova expresses its worry regarding the declaration of the President of Russia Federation, Boris Yeltsin, on the occasion of the "Civil Union" Congress on 28 February 1993, where he pointed out that "now is the right time when organisations with international authority, including the United Nations Organisation, to offer Russia special power in her quality of guaranteeing the peace and security on the territory of the former USSR," it is mentioned in a press release of the Ministry of Foreign Affairs. "The desire of a state to embrace the role of the peace makers in this area is at variance with the norms of the international right as long as none of the independent states granted Russia such a mandate. Furthermore, Russia's military units are still present in several conflict areas including the Eastern districts of Moldova," the statement underlines. Moldova considers that the conflict problems must be solved in conformity with the norms of international rights and with the active participation of all international forums, including the United Nations and CSCE, and is rejecting any attempt of interfering in its interior matters, the statement concludes.

Armed Forces Deny Alleged Military Exercise With Romania

AU0603212693 Chisinau BASAPRESS in English 1853 GMT 6 Mar 93

[Text] Tiraspol, BASAPRESS 6/3/1993—For 27 March, Radio Tiraspol yesterday forecasted joint Moldo-Romanian military exercises, cited The Workers Committee from Tighina (Bendery). The so-called military exercises might end with a coup d'etat in Moldova, added Radio Tiraspol, CSCE observers are due to replace the Unified Control Committee from Tighina (Bendery). In order to substitute the Peace Keeping Forces the quoted sources underlined that United Nations troops will be brought in. The local observers are of the opinion that the broadcasted information by Radio Tiraspol is nothing else but an attempt to create a tense situation in the Eastern districts of Moldova and in Tighina (Bendery). Representatives of the Ministry of Defense from Chisinau qualified the respective news as a disinformation, underlying that the Armed Forces of Moldova do not foresee any kind of joint exercises with the Romanian Armed Forces.

Parliament Approves Government Economic Plan of Action

OW0503163293 Moscow INTERFAX in English 1610 GMT 5 Mar 93

[Report by Andrey Pershin, Andrey Petrovskiy, and Vladimir Shishlin; edited by Boris Grishchenko; from the "Presidential Bulletin" feature—following item transmitted via KYODO]

[Text] The Moldovan parliament on Thursday [4 March] approved the government's program for the period up to 1995.

Prime Minister Andrey Sangeli stressed while presenting the government program that the government had worked mainly on the premise that the current situation in the republic was "extremely poor" for the Moldovan economy. The prime minister announced that Moldova's gross national income had gone down by 40% during 1990- 1992. The conflict in the Dniester Republic alone had cost the republic 80 Bn [billion] rubles, he said, which was virtually the republic's yearly state budget. Poor weather conditions had also left their mark, according to the premier: the flood of 1991 and the unprecedented drought of 1992 had caused irreparable loss to agriculture.

Sangeli also commented on a number of objective and subjective factors which had contributed to the escalation the economic crisis. The objective factors included the "disintegration of the Soviet Empire", the break down of economic relations with former Soviet partners, and Moldova's dependence on power and raw materials resources. Inflation had also had a negative effect on the nation's economy as had the "monetary war" between the former Soviet republics, the shortage of cash funds, the lack of balance between prices for raw materials and finished products, and the unstable political situation on the territory of the CIS.

Subjective factors which the prime minister said could have been avoided included the sharp fall in executive discipline at all levels and the lack of legislation for carrying out economic reform. He said that "political gamesmanship and the groundless ambitions of certain movements, groups and individuals who had kindled passions and instigated strikes and demonstrations instead of getting down to reforms had caused serious damage and de-stabilized the political situation in Moldova." "It is time for everyone to understand that these political games can bring benefit to no one," he added.

The achievement of stability and revitalization of all areas of the national economy and raising the standard of living for ordinary citizens were seen by the prime minister as being the government's main priorities for the future. The two stages for achieving this, according to the program, were surviving the "apogee of the economic crisis" up to the 1993 harvest and stabilizing and re-vitalizing the economy during the period from 1993-1995.

The key stages in the reform program proposed by the government are to be: privatization and denationalization; agrarian reform; improving credit and monetary policy; a reliable social welfare system; revitalizing foreign economic activity; attracting foreign investment; and creating free economic zones in the republic.

Sangeli said that growth in salaries in the republic had begun to outstrip the growth of inflation at the end of last year. Production decline in separate manufacturing sectors had been halted. Sangeli stressed that the national income was expected to increase by 8% this year compared with last. Productivity in industry would increase by 12% and in agriculture by 18%. The prime minister remarked that "the main indicators for the 1991 level would not be attained and that the republic would still have to import grain even if weather conditions proved most favorable." The prime minister particularly emphasized the fact that the government could carry out its plan of action only if the social and political situation remained stable, if a single economic mechanism in the republic was preserved, and if the republic retained its territorial integrity.

Sangeli made a separate request to parliamentarians to discuss the draft law on special status for the Gagauzian-populated areas and the Dniester Republic "to give the government the opportunity to concentrate its efforts on solving economic difficulties."

Parliament To Continue Debate of Draft Constitution

LD0803140093 Moscow Radio Rossii Network in Russian 1200 GMT 8 Mar 93

[Text] Moldova's parliament will continue debating the draft of the republic's new constitution tomorrow. Heated debates are once again expected over many articles of the draft constitution. The document does not guarantee the rights of ethnic minorities or the citizens' right to a referendum or to labor and housing. There is no ban on propaganda inciting war, violence, genocide, or racial or ethnic exclusivity. The draft constitution of Moldova—where 35 percent of the population is not Moldovan—proclaims Moldova to be a monoethnic state, and asserts that education at all levels should be carried out only in Romanian. The parliamentary debate on the new constitution has sparked off fresh criticism in the press of President Mircea Snegur from People's Front representatives.

Incidents Reported From Dubossary Security Zone

AU0603212593 Chisinau BASAPRESS in English 1853 GMT 6 Mar 93

[Text] Chisinau, BASAPRESS 6/3/1993—Further to the intervention of the Unified Control Committee, Dubossary leadership of the militarised local structures have been forced to give up the supplementary posts of Cossacks-border troops on the sector of the Tiraspol-Ribnita high-way, mentions the Russian daily "NEZAVISSIMAYA MOLDOVA." On the other hand, in contradiction to all the conventions and agreements, at the beginning of the current week in Dorotskaya village, in the security zone of Dorotskaya village, military people from "Dniester" battalion began to patrol the village. On 2 March in Dorotskaya supplementary forces of Dniester guards appeared threatening the policeman faithful to Chisinau to leave the village.

Solution to Dniester Status 'Nothing but Good Intentions'

AU0503152793 Kiev HOLOS UKRAYINY in Ukrainian 27 Feb 93 p 11

[Report by Svitlana Chala from Chisinau: "The Dniester Region Strengthens Its Borders With Moldova"]

[Text] **The left and the right banks of the Dniester seem to be moving increasingly further apart. Political solutions with regard to the status of the left bank still remain nothing but good intentions. At the same time the, decree adopted by the Tiraspol administration on strengthening borders along the Dniester is coming into effect.**

The movement to the left bank has only been allowed by Tiraspol along the Dubossary dam and across the bridge in the Vadu-Luy-Vode village. Those who try to cross the Dniester, as before, by boat, may have to pay a fine of up to 10,000 rubles. Border guards threaten that, if any of right-bank residents dare approach the Dniester closer than 20 meters, they will be fired on.

The innovations of the Dniester border service only apply to Moldova. The region's border with Ukraine remains transparent.

Snegur To Rely on Russian Speaking Deputies To Ensure Peace

OW0503184193 Moscow INTERFAX in English 1610 GMT 5 Mar 93

[Report by Andrey Pershin, Andrey Petrovskiy, and Vladimir Shishlin; edited by Boris Grishchenko; from the "Presidential Bulletin" feature—following item transmitted via KYODO]

[Text] President Mircea Snegur considers that the Soglasie (Accord) group of deputies, which represents the interests of the Russian speaking section of the republic's population, will assist the republic's leadership in carrying out its task of establishing firm peace between nationalities in Moldova.

During a meeting with representatives of Soglasie in Chisinau on Thursday [4 March] the head of state shared the deputies' view that the problems affecting the Dniester Republic and the Gagauzian-populated areas should be resolved in the nationwide debate on the draft new constitution. Snegur backed the deputies' intention to step up contact with parliamentarians from Russia. The president promised to bear in mind proposals by Soglasie extend the deadlines for the granting of citizenship of the Republic of Moldova.

IF [INTERFAX] note: Soglasie does not include deputies from the Left Bank (Dniester Republic of Moldova-capital Tiraspol) which is not recognized by the official leadership. Deputies from the Left Bank have not taken part in the Chisinau parliament since April last year when the armed conflict broke out. The conflict ended after mediation by Russian President Boris Yeltsin. The last round of consultations between Chisinau and Dniester representatives due to take place on February 26 was broken off. The Moldovan side blamed the Dniesterians for this, saying that they had put forward preconditions which were unacceptable to Chisinau. Tiraspol insists on preliminary approval being given to the principles for the settlement of the Dniester issue by the Dniester Republic of Moldova's parliament.

Article Comments on Republic's Foreign Relations

AU0603164493 Chisinau BASAPRESS in English 1837 GMT 5 Mar 93

[Text] Chisinau, BASAPRESS 5/3/1993—President Snegur "reoriented his foreign policy vision towards rapidly giving up so much that from a political enemy of the Kremlin to becoming a good friend of Russia, the Conqueror," it is mentioned today in an article published by the weekly GLASUL NATIUNII (Voice of the People). [sentence as received] In the opinion of the deputy chief editor, Vasile Nastase, the author of the article, this was made possible immediately after the American Senator Larry Pressler last year offered economic and commercial aid to Russia on condition she withdraw the 14th Army from the Eastern districts of Moldova and Russian troops from the Baltic countries. The opportunity of the moment to obtain the retreat of the 14th Army with the assistance of the United States has been lost, mentioned the article. "The United States, as well as other big economic powers, will provide military and political support to Moldova so that she will become a truly independent state," adds Vasile Nastase. In addition, "the big mistake of the non-existent diplomatic Moldovan core" resides, in Nastase's opinion, in the very fact that the present relationship between Kiev and Chisinau became unclear. "What were and still are the efforts of the Moldovan Foreign Minister, Nicolae Tiu, regarding the strengthening of diplomatic relations between Kiev and Chisinau? Will Russia return the territories she occupied in 1940?" asks the author of the article with rhetoric.

FPCD Leader Accuses Snegur of Slanderous Intentions

AU0603164393 Chisinau BASAPRESS in English 1837 GMT 5 Mar 93

[Excerpts] Chisinau, BASAPRESS 5/3/1993—Iurie Rosca, President of the executive organ of the Christian and Democratic Popular Front [FPCD], during a blitz interview, offered to BASA agency his opinion that allegations would not lead to a trial. He considered that President Snegur "wants to denigrate my name by the aid of a prefabricated case thus marginalising me from the political fight." [passage omitted]

Mihai Ciocan, Chisinau's prosecutor, declared to a BASA correspondent that "the [Iurie Rosca] file was attended to by the Prosecution of Moldova and would then be transferred to the Prosecutor's Office in Chisinau for examination." [passage omitted]

Iurie Rosca explained that "through the dictatorship of the president" (terms used in an article he published in the FPCD weekly TARA) he meant "President Snegur replaced ex-Prime-Minister Mircea Druc, his political adversary, with the aid of the Treaty and 'Yeltsin-Snegur' Convention without the Parliament's agreement in July 1992." [passage omitted]

Tajikistan

Government Loses 170 Men in Garm Valley Operation

OW0703164893 Moscow INTERFAX in English 1636 GMT 7 Mar 93

[Report on "exclusive" interview with Tajik Deputy Prime Minister Munavvarsho Nazriyev by unidentified INTERFAX correspondent on 7 March; place not given—following item transmitted via KYODO]

[Text] During a two-week operation conducted in Garm Valley the government troops lost 170 men; another 230 were wounded, said Tajikistan's Deputy Prime Minister Munavvarsho Nazriyev in an exclusive interview with IF [INTERFAX] on Sunday [7 March] upon his return from Garm. According to him, the losses sustained by the armed opposition are twice or thrice as great. Nazriyev confirmed that there were also civilian deaths. Most of the victims died at the hands of militants belonging to the opposition, the deputy premier said.

According to Nazriyev, before his departure from Garm 5 thousand refugees who had left the area during the war returned there from Jilikul. There is no threat to the civilian population now, he stressed, since in the past week Garm was not subjected to attacks or shellings by the militants. He conceded that the socio-economic situation in Garm remains tense: telephone communications are still disrupted; there are neither electricity nor gas supplies; food shortages are catastrophic.

According to the information available to Nazriyev, the defeated units of armed militants are trying, in groups numbering 5 or 6 men, to escape to neighboring Kyrgyzstan. Other groups are rallying together to put up armed resistance in the area of Kalai-Humba. Some militants are trying to get into Afghanistan. The remaining ones are surrendering to the government forces, said Nazriyev.

Government Completes Garm 'Cleansing'

PM0803104593 Moscow KRASNAYA ZVEZDA in Russian 6 Mar 93 p 1

[Anatoliy Ladin report: "Tajikistan's Government Ready To Repulse Armed Opposition"]

[Text] Dushanbe—Major General Aleksandr Shishlyannikov, Tajikistan's minister of defense, reported that government forces, jointly with MVD [Ministry of Internal Affairs] and CNS [Committee for National Security] subunits, have fully completed the cleansing of Islamic formations from the Garm group of rayons. Elections for local organs of power are being held there now, and the work of law enforcement organs is being restored.

But small gangster groupings continue their attacks against representatives of the new authorities and local residents. Tajikistan's Ministry of Defense, MVD, and CNS, Aleksandr Shishlyannikov told KRASNAYA ZVEZDA's correspondent, are taking measures to cover the rear of Russian Border Troops along the Afghan border. Shishlyannikov believes that, if the situation deteriorates, the government forces will be able to repulse both internal and external enemies.

Interior Minister Says War 'Coming to an End'

LD0603103193 Moscow ITAR-TASS in English 0939 GMT 6 Mar 93

[By KHOVAR news agency for TASS]

[Text] Dushanbe March 6 TASS—The fratricidal war is practically coming to an end in Tajikistan, Tajik Interior Minister Yakubdzhon Salimov told KHOVAR today. The Ramit canyon, where government troops met with fierce resistance, has been fully cleared of the gangs.

Government troops took under their control many populated localities in the Garm group of regions. For several months armed groups, opposing the lawful constitutional government of Tajikistan, engaged in robberies and killed peaceful civilians. After government troops were moved in, life began to get back to normal in Komsomolabad and Garm. People, whom the bandits forced to move to the mountains, are returning home.

Food was brought to the liberated areas. According to Yakubdzhon, talks are under way with the aim to persuade the fighters, who entrenched themselves in the Pamir mountains, to surrender voluntarily and stop resistance.

Kyrgyz Troops in Gorno-Badakhshan To Reinforce Border

PM0503162693 Moscow IZVESTIYA in Russian 5 Mar 93 First Edition p 1

[Aleksandr Karpov report: "Peacemaking Force Arrives in Tajikistan"]

[Text] Dushanbe—The first battalion of the peacemaking force has arrived in Tajikistan. Some 500 servicemen of Kyrgyzstan's national army have been sent to the Gorno-Badakhshan Autonomous Oblast.

General V. Gritsan, commander of the Russian Federation's border troops in Tajikistan, has reported in an interview that the battalion has been assigned to reinforce border posts in the Pamirs. Its chief task is to participate directly in guarding the Tajik-Afghan state border. Under the Minsk accords among the heads of the CIS countries, the commander emphasized, military subunits will arrive in Tajikistan from Kazakhstan, Uzbekistan, and Russia within the next few days, and it is also planned to use them to reinforce the border posts of the Pyandzhskiy and Moskovskiy Detachments in Khatlon Oblast.

The duration of the additional military contingent's stay has not been set.

Russia will also give Tajikistan financial assistance. The losses incurred by the republic during the civil war are today estimated at approximately 300 billion rubles [R]. According to forecasts, the revenue part of the budget this year will total something on the order of R38 billion—which is very little, since approximately R100 billion is needed just to pay wages in the budget sphere. The Russian Federation Government has adopted a decision to allocate to Tajikistan R80 billion in technical credit and R40 billion for the payment of wages in the first half of the year.

Under an accord at the level of the two states' prime ministers, Tajikistan will receive 2.5 million tonnes of petroleum products from Russia. This will make it possible practically to eliminate the problem of providing the national economy of the mountainous district with fuel.

Dushanbe Urges Gorno-Badakhshan To Surrender Arms

OW0703171793 Moscow INTERFAX in English 1636 GMT 7 Mar 93

[Following item transmitted via KYODO]

[Text] In the Gorno-Badakhshan Autonomous Region officials from a governmental commission have urged local leaders to "convince their compatriots" that it's necessary to voluntarily surrender the arms held illegally to the authorities. At Saturday's [6 March] meeting between the governmental commission and representatives of Gorno-Badakhshan authorities the deputy chief of the regional Interior Ministry department, Alijon Mamadnazarov, said that more than 300 weapons, including 201 firearms, one armoured vehicle, one armoured truck, 4 machineguns, 300 kilos of explosives and more than 8,000 cartridges, have been confiscated in Gorno Badakhshan.

On Saturday members of the governmental commission took part in a joint session of local officials, which was presided over by the chairman of the regional council and former leader of Tajikistan, Akbarsho Iskandarov. Deputy Speaker Kazidavlat Koimdodov, who led the governmental commission, read the parliament's appeal to the local residents. Tajikistan will remain united and indivisible, "despite the attempts of certain circles to sow discord between regions and districts", the appeal points out.

Turkmenistan

Niyazov Urges More Specifics in Talks With Foreign Firms

OW0503184093 Moscow INTERFAX in English 1612 GMT 5 Mar 93

[Report by Andrey Pershin, Andrey Petrovskiy, and Vladimir Shishlin; edited by Boris Grishchenko; from the "Presidential Bulletin" feature—following item transmitted via KYODO]

[Text] In the opinion of Turkmen President Saparmurad Niyazov, Turkmenistan's negotiations with foreign businessmen should have a more specific character. "It's time to stop studying opinions and writing protocols on intent and start holding specific negotiations if there are concrete projects." The president's thoughts were conveyed by Vice-Premier Nazar Suyunov in a conversation with an Interfax correspondent; the vice-premier was commenting on the outcome of Thursday's [4 March] negotiations in Ashgabat with a delegation from the Japanese Mitsui Corporation.

Suyunov rejected a draft protocol on intentions suggested by the Japanese businessmen, saying that "Turkmenistan requires concrete help with the realization of existing projects in the form of credits, investment, or the establishment of joint ventures." Takeo Suetomi, the head of the Japanese delegation and member of the board of directors of Mitsui, said in an interview with Interfax that the protocol which was signed "did not differ significantly from the one that was refused." He added that the projects with the best long-term prospects, the financing of which would be considered subsequently, were the development of oil deposits under the shelf of the Caspian Sea (for which a tender is planned), the modernization of the communications system, and the desalinization of water.

Uzbekistan

Karimov Backs Russian Reform, Yeltsin

LD0603142193 Tashkent UZBEKISTAN APN in Russian 1145 GMT 6 Mar 93

[Text] Speaking today to his office staff, Uzbekistan President Islam Karimov said: "We have a profound interest in the reforms in Russia reaching their logical completion. If dictatorship comes there tomorrow, it cannot but have an affect on our life. I, for example, clearly present to you the threat which would then be hanging over the independence of sovereign Uzbekistan. I want Yeltsin to be able to complete his reforms for the good of the people of Russia."

This was reported by an informed source in the president's entourage.

Karimov Meets Foreign Journalists on Economic Prospects

LD0503153293 Tashkent UZBEKISTAN APN in Russian 1158 GMT 5 Mar 93

[Text] Yesterday, President Islam Karimov of Uzbekistan had a meeting in Tashkent with journalists belonging to the association of foreign journalists accredited in the CIS.

"Today, I am convinced that Uzbekistan has a great future. We will certainly create a state such as will stand in the ranks of the most developed countries of the world," said the president, replying to a question on on ways of developing the republic's economy.

"For Uzbekistan, 1993 will be the last difficult year, the last year of hardships. Soon we will receive the fruits of the work done, the fruits of the policy being enacted," stressed I. arimov.

The news conference, which had been planned to last just over an hour, lasted over two hours.

Armenia

Presidential Press Service Statement on Minsk Conference

NC0603072193 Yerevan Armenia's Radio First Program Network in Armenian 1700 GMT 5 Mar 93

["Statement issued by the Armenian Presidential Press Service"; read by announcer]

[Text] The members of the Minsk conference on Nagorno-Karabakh reached a preliminary agreement this week on an important document, which will enable observers to be sent to Nagorno-Karabakh with a view of declaring a lasting cease-fire.

The agreement was reached in Rome in the last day of the preparatory meeting held by the Minsk group between 26 February and 1 March 1993.

The preparatory meeting was chaired by the chairman and co-chairman of Minsk Conference, Mario Raffaelli and Mario Sica. Zhirayr Liparityan, adviser to President Ter-Petrosyan, led the Armenian delegation to the Rome meeting. He was accompanied by parliamentarian Khachik Bezirdzhyan. Deputy Prime Minister Boris Arushanyan led the Nagorno-Karabakh delegation. Foreign Minister Tofik Gasymov headed the Azerbaijani delegation.

The document, entitled The Provisions of Mandate, defines the observers' tasks and is an important step in reducing the confrontation. According to this document, the international observers will be sent to supervise a number of specific military measures in the conflict zone. These measures, in turn, will lead to the cessation of hostilities and the lifting of the blockades and the unimpeded supply of humanitarian assistance.

Armenia regards this preliminary agreement as a modest but encouraging sign that the sides may be ready for a peaceful resolution of the Nagorno-Karabakh problem. Armenia hopes the elimination of the confrontation will be a step towards convening the Minsk conference, which will decide the future status of Nagorno-Karabakh.

The Timetable for the Implementation of the Cease-Fire is the second and equally important document that must be examined. We expect all sides will take part in preparing this document.

From the very start of the conflict, the Armenian Government believed the problem should be solved through political, not military, means. Any solution through dialogue requires, first and foremost, that Azerbaijan renounce its policy of solving the problem by force and that it cease the aggression against the borders of Nagorno-Karabakh and Armenia. Unfortunately, both sides had to suffer numerous losses before Azerbaijan was ready to seriously discuss the possibility of a peaceful solution of the problem. Armenia is still not sure that Azerbaijan has given up the idea of solving the problem by force and the policy of ethnic cleansing in Nagorno-Karabakh. This change in the Azerbaijani stance may be a mere temporary (?tactical) move linked with the recent Azerbaijani defeats at the hands of the Nagorno-Karabakh self-defense forces.

Nevertheless, Armenia hopes Azerbaijan's new position will be long-lasting, thus enabling an agreement on the second document, which will lead to the cease-fire, to be reached quickly.

The Armenian Government hopes Azerbaijan will end its acts of terror against the gas pipeline and roads entering Armenia and enter into a direct dialogue with Nagorno-Karabakh authorities to ensure the implementation of the documents related to the peace process and the cease-fire.

Armenia favors continued cooperation with the presidium and other members of Minsk group during the entire course of the peace process.

State of Emergency Imposed in Gadrutskiy Rayon

NC0503182293 Yerevan SNARK in English 1254 GMT 5 Mar 93

[Text] Stepanakert, 5 Mar (SNARK)—According to the decree issued by the Karabakh State Committee of Defense, there has been imposed the state of emergency in Gadrutskiy, one of the centers in Nagorno-Karabakh. SNARK's reporter has been informed in the Karabakh Department of Press and Information, this decision was caused by the illegible [word as received] cases taken place in Gadrutskiy where 5 soldiers of the Karabakh self-defense forces were killed. That's why the military prosecutor's and the Department of National Security are responsible for the situation in [the] Rayon. There has been sent special group to Gadrutskiy to follow the order.

'Fierce Clashes' Continue Around Sarsang Dam Area

NC0503164793 Yerevan Radio Yerevan in Azeri 1430 GMT 5 Mar 93

[Excerpts] Dear listeners, we now present a report on the latest incidents in the Nagorno-Karabakh Republic [NKR] and on the Armenian-Azerbaijani border.

The situation in Nagorno-Karabakh is tense. Azerbaijan National Army units have tried to launch attacks to retake the positions they lost in previous clashes, but they have failed to achieve their objective. Armenian self-defense forces repelled the attacks and forced the enemy units to retreat after losing many men and much military equipment. Hundreds of Azerbaijani troops have been killed or wounded in Mardakertskiy Rayon during the past month. Dozens of them were taken prisoner and transferred to the Armenian side.

Combat operations continue, mainly around the Sarsang Dam area. Reports received here have said that the operational situation in that region has not changed during the past two days. Armenian forces are maintaining their military initiative. The freedom fighters of Artsakh [Nagorno-Karabakh] continue to control the strategic heights around the dam. Fierce clashes are taking place in that region. Positional fighting is taking place near Kusabad and Magavuz in Mardakertskiy Rayon. Although the situation in the other parts of the NKR is relatively peaceful, tension continues to prevail.

There were no significant incidents in the vicinity of the Lachin humanitarian corridor. Artsakh's freedom fighters continue to maintain control over the corridor. [passage omitted]

The Armenian Defense Ministry has reported that the operational situation on the Armenian-Azerbaijani border remains unchanged. There had been no significant incidents on the border as of 1700 yesterday.

Meeting Held With Nakhichevan on Border Incident

NC0503175693 Yerevan Armenia's Radio First Program Network in Armenian 1300 GMT 5 Mar 93

[Text] The Armenian presidential press service has reported that the leaders of Araratskiy Rayon in Armenia and Sadarak Rayon in Nakhichevan Autonomous Republic met near Yeraskh Railway Station on 4 March.

The Armenian side drew Nakhichevan's attention to the fact that the positions of the Armenian self-defense forces have been coming under fire from Nakhichevan for the last two nights.

The Azerbaijani side admitted the violation of the previously reached cease-fire agreement, saying that the fire was opened by troops who have arrived from Baku and who are not submitting to the Nakhichevani authorities. They promised, however, to take relevant measures to prevent further border incidents.

The leaders of Sadarak Rayon also informed the Armenian side that the dispatch of humanitarian assistance from Baku to Nakhichevan is continuing [words indistinct].

Vazgen Sargisyan Appointed State Minister

NC0603070393 Yerevan Armenia's Radio First Program Network in Armenian 1300 GMT 5 Mar 93

[Text] The Armenian president issued a decree today appointing Vazgen Zaveni Sargisyan as state minister of the Armenian Republic. Sargisyan was relieved from his post as adviser to the president on defense issues.

Azerbaijan

Turkish Foreign Minister Arrives To Discuss Ending War

Cetin on Talks in Russia

NC0603105693 Baku TURAN in English 1015 GMT 6 Mar 93

[Text] Baku, 6 March (TURAN)—The Minister of Foreign Affairs of Turkey Hikmet Cetin arrived today at 12 o'clock in Baku. He was met in the airport by the Minister of Foreign Affairs of the Republic Tofik Gasymov and other official figures.

As it was informed, Cetin will conduct negotiations in Baku with the President of Azerbaijan Abulfaz Elchibey and the Minister of Foreign Affairs Tofik Gasymov.

Answering the questions of journalists on results of his negotiations with the minister of Foreign Affairs of Russia Andrey Kozyrev, Cetin said that the side touched upon different issues of bilateral relations, as well as problems of regional security. The Azerbaijani-Armenian conflict was also touched upon in this context. According to Cetin's words "Russia and Turkey as the most influential countries in the region recognising Karabakh as integral part of Karabakh must do their best to cease the fire and begin the process of the peaceful regulation."

At the present time Hikmet Cetin conducts consultations with Abulfaz Elchibey with the participation of the minister of Foreign Affairs Tofik Gasymov.

Ministers of foreign affairs and Azerbaijan and Turkey today at 17 o'clock will conduct the joint press-conference. In the evening Hikmet Cetin will leave for his motherland.

Elchibey, Cetin Comment

TA0603191093 Ankara TRT Television Network in Turkish 1800 GMT 6 Mar 93

[Report by Irfan Sapmaz in Baku]

[Text] Foreign Minister Hikmet Cetin, who was received at the airport by Azerbaijan Foreign Minister Tofik Gasymov, went directly to the prime ministerial residence. A little while later, he was received by Azerbaijani President Abulfaz Elchibey.

In a statement to the press after the three-hour meeting, Elchibey said that Azerbaijan supports the initiative of Turkey and Russia to end the Azerbaijan-Armenian conflict. He said: These contacts will be useful for peace. For a peaceful solution, the guarantees of Russia, Turkey, the United States, and certain other countries are needed. First, political agreements must be prepared. We must reach such a point so that the mechanism can work. We do not want war; we have always been on the side of peace. However, Azerbaijani territory has been occupied. The Armenians must leave Azerbaijani territory so that we can have peace.

After his meeting with Elchibey, Cetin met with Supreme Soviet Chairman Isa Kamberov for one hour. At the end of the meeting, Cetin said that they exchanged views for the promotion of the relations between the two fraternal countries and for the solution of regional problems.

Later, Cetin held a joint news conference with Azerbaijani Foreign Minister Gasymov. Cetin told the local and foreign journalists that the Azerbaijani president supports the initiative of Turkey and Russia for the solution of the Nagorno-Karabakh problem.

Replying to a question, Cetin said that Turkey will never pursue a policy that will be against Azerbaijan's interests. He added: The United States, France, Britain, and certain other countries I spoke with are extending support for ending this war and for establishing peace. This meaningless war, which was started because of Armenia's stand and initiative, must end. We are saying: Come and let us end this war as soon as possible. The Azerbaijani officials are ready for that. I have the impression that the Armenian officials also want peace.

Cetin said that the first thing that is needed is an effective cease-fire. Unless there are any changes, he said, he and Russian Foreign Minister Andrey Kozyrev will visit Baku and Yerevan.

After attending a dinner given in his honor by Gasymov, Cetin left Baku aboard the special plane he arrived in.

Foreign Minister on Dispatch of CSCE Observers

NC0503215293 Baku TURAN in English 1007 GMT 4 Mar 93

[Text] Baku, 5 March (TURAN)—As "the important achievements" classified Minister of Foreign Affairs of Azerbaijan Tofik Gasymov the results of the last round of negotiations by Nagorno-Karabakh under the CSCE, completed in Rome and agreement in principle to settlement of the group of observers in the zone of military activities on the territory of Azerbaijan.

Gasymov said in the course of the short press-conference, in the airport of Bina of Baku, that settlement of international observers will promote identification of the personnel and armament of the leading sub-units on the territory of Azerbaijan, after which estimate of the status of fighting sides must be followed.

As it is known, Azeri minister of foreign affairs considers the presence of Armenian sub-units on the territory of the Republic as aggression of Armenia against Azerbaijan.

At the same time, Tofik Gasymov marked that such technical problems as financing prevent the soonest settlement of observers.

Conflicting Reports on Capture of Nagorno-Karabakh Villages

OW0803111593 Moscow INTERFAX in English 1051 GMT 8 Mar 93

[Following item transmitted via KYODO]

[Text] According to well-informed sources in Yerevan, Armenian armed formations have captured six villages in Mardakert District in Nagorno-Karabakh - Kusapat, Oratag, Dzhiniyatag, Tamerlu, Metzshen and Mokhratag - on March 6-7, developing their attack in the direction of Mardakert lying at a distance of 4-5 kilometers from the attacker.

Meantime, the Azerbaijani Defense Ministry maintains that no positional changed have occurred in Mardakert District in the last 24 hours.

As a result of their offensive operations, the Armenian forces claim to have captured 25 villages, while approximately half of Karabakh territory is still controlled by the Azerbaijani command.

According to the report from Yerevan, one person was killed and one wounded during an artillery fire attack at Gadrut Karabakh District center, while Baku reports damages in Azerbaijani-controlled Tauz and Kazakh Districts as a result of Armenian fire attacks of the villages.

Elchibey: Reforms' Success Depends on Reliable Defense

OW0503162393 Moscow INTERFAX in English 1608 GMT 5 Mar 93

[Report by Andrey Pershin, Andrey Petrovskiy, and Vladimir Shishlin; edited by Boris Grishchenko; from the "Presidential Bulletin" feature—following item transmitted via KYODO]

[Text] Addressing the session of the state defense committee on Thursday [4 March], President Abulfaz Elchibey demanded that all ministries, departments, and governing agencies of all levels take an active part in building the nation's armed forces. Elchibey pointed out once more that the success of reforms directly depended on ensuring the reliable protection of territorial integrity, inviolability of borders and Azerbaijan's national interests from any outside encroachments.

Elchibey emphasized that Azerbaijan's military doctrine is a truly defensive one, the republic is forming its armed forces in accordance with the provisions of the United Nations Organization, the Conference on Security and Cooperation in Europe, the Helsinki Act and other international standards.

The President said that the national defense concept is primarily aimed at achieving peace and security and the restoration of good relations in the Transcaucasian region.

Interior Minister: Primakov Behind 5-6 Mar Rallies

OW0703140493 Moscow INTERFAX in English 1317 GMT 7 Mar 93

[Following item transmitted via KYODO]

[Text] Azerbaijan's Interior Ministry has dismissed the reports of some news agencies as to casualties in Gusar District. The ministry confirmed that on Friday and Saturday [5-6 March] rallies were staged in the district indeed. They involved local young men who wanted to avoid conscription. However, the meetings did not have anti-Azerbaijani character, despite the efforts of armed people who had infiltrated the district from Dagestan.

This fact was noted by the Azeri law-enforcement agencies. Nevertheless, since those who had violated Azerbaijan's border were armed, it was decided not to stop them with a view to avoiding excesses. Azerbaijan's Interior Minister, Iskender Khamidov, stressed at a big public assembly in Baku on Saturday that "Russian imperial circles increased their pressure on Azerbaijan when Baku had resolutely rejected an ultimatum of Russia's military circles." They aim to force Azerbaijan to join the CIS politico-military structures. For this purpose they embarked on the road of creating new seats of instability in Azerbaijan and in the Caucasus as a whole, he said.

According to Khamidov, "members of Russia's intelligence service led by one of the main organizers of the carnage in Baku in January of 1990, Yevgeniy Primakov, took an active part in staging the events in Gusar District."

With reference to the reports of some sources concerning an uprising of Lezgins against Azerbaijan, Foreign Minister Tofik Gasymov told IF [INTERFAX] that this interpretation is too sensational. According to him, all the signs indicate that the events in Azerbaijan's Gusar District had been inspired by outside pro-imperial and anti-Azeri forces. The main goal of their attempts was to hinder democratic processes in Azerbaijan.

According to him, these events had been planned in advance. He maintained that certain anti-Azeri sources of information purposefully sought to exaggerate the importance of those events and turn them into an uprising.

Georgia

U.S. 'Concerned by' Deteriorating Georgian-Russian Ties

LD0503175493 Tbilisi CONTACT INFORMATION AGENCY in Russian 1532 GMT 5 Mar 93

[Text] Today, 5 March, the Ministry of Foreign Affairs of the Republic of Georgia was visited by Mr. Kent Brown, ambassador extraordinary and plenipotentiary of the United States to Georgia, who handed over to the heads of the ministry a statement by the U.S. Government concerning worsening relations between Georgia and Russia. The statement says that the U.S. Government is concerned by the clear deterioration of relations between Georgia and Russia. In connection with this, it conveys to the Russian leadership its indignation. Despite the statements by some Russian leaders, we do not believe that such a deterioration would be in the interests of the two countries, both Georgia and Russia, the statement says.

As well as this we are sure that President Yeltsin and other leading officials share the desire of the Georgian leadership to get out of the deadlock which has come about and to continue fruitful cooperation, the statement says.

We insistently ask the Russian Government to take the appropriate measures to lift bilateral tension and to convince the Georgian leadership and people that Russia recognizes the teritorial integrity and inviolability of the borders of the Republic of Georgia, the statement says.

At the same time, we are sure that Georgian officials for their part will do everuthing possible to improve the situation, the statement says.

U.S. Call for Improving Ties With Russia Welcomed

LD0603130793 Moscow Programma Radio Odin Network in Russian 1200 GMT 6 Mar 93

[Text] Eduard Shevardnadze called the U.S. Government's appeal to Russia and Georgia "timely and important." As the Georgian leader told journalists late last night [5 March], the problem of settling Georgian-Russian relations lies in the absence of a treaty-based, legal basis for them. Shevardnadze suggested speeding up the talks process as a way out of the current situation, moreover, without either side setting any preliminary conditions for this.

Shevardnadze on South Ossetia, Gudauta Visit, Army

OW0803111793 Moscow INTERFAX in English 1052 GMT 8 Mar 93

[Following item transmitted via KYODO]

[Text] Georgia's leader Eduard Shevardnadze has declared that "he has not attached special importance" to the decision adopted by North Ossetia (a republic of Russia) on March 6 to recognize the independence of South Ossetia (a republic of Georgia). In a traditional interview with Georgian radio on Monday [8 March], he dismissed the decision as invalid. He noted that he had not discussed the issue with the Russian leadership yet and invited "Russia to express its attitude toward this fact at least because we jointly signed the Dagomys agreement, which is a legal document" (on a settlement in South Osetia - IF [INTERFAX]).

Speaking about his four-day tour of Abkhazia, Mr. Shevardnadze noted "drastic changes" in the Georgian army. In his words, "just within 2 months, it has grown to become a full-fledged regular army we have dreamed of." Mr. Shevardnadze said that he had not been directly in touch with the Abkhaz leaders in Gudauta. However, negotiations were under way through other channels. "I think in time the Georgians and the Abkhazs will see for themselves that such a dialogue is indispensable" - the Georgian leader stressed.

Asked about prospects for the 4[th] round of Georgian-Russian talks due to open in Moscow on March 9, Mr. Shevardandze replied that the Russian leadership was not particularly enthusiastic to sign a bilateral treaty. "However, I still believe that this accord will be signed sooner or later since Russia needs Georgia, and Georgia needs goodneighborly, equal relations with Russia," the Georgian leader declared.

Combat Actions on 7 Mar; Abkhazia Quiet 8 Mar

AU0803085893 Tbilisi Radio Tbilisi Network in Georgian 0800 GMT 8 Mar 93

[Text] Here is a recording that we received this morning by telephone from Sukhumi. Our correspondent spoke to Soso Margishvili, head of the press center of the Main Staff of the Georgian Armed Forces in Sukhumi.

[Begin recording] [Correspondent] On 7 March, at approximately 0800, a Russian Su-25 military aircraft appeared at a high altitude above our positions on Gumista River. It soon flew away in the direction of Gudauta. Russian aircraft appeared again several times during the course of the day. However, they did not try to descend and launch any attacks.

At around midday, the enemy began fairly active combat operations along the Gumista River and opened fire upon our positions and in the direction of Sukhumi. Several shells fired from heavy equipment and cannons exploded in a new region of the city and its surrounding area. Several buildings were damaged. Fortunately, there were no casualties.

At approximately 1400, the enemy became more active in the direction of Shroma and Kaman and fired mortars at our positions. During the course of the day, the Georgian Armed Forces consistently and successfully suppressed the enemy's firing positions.

In Ochamchira rayon, it has remained basically quiet and the enemy has not engaged in active combat actions. There has only been insignificant positional fighting along various parts of the front that has not resulted in any casualties on our side. During the night, it remained quiet in the main along the Gumista River and in Ochamchira Rayon. There were only isolated firing incidents and it has been quiet this morning.

Batoni Soso, I am interested in knowing what the electricity situation is like?

[Margishvili] There is electricity in the city. Bread is being baked. [end recording]

Gvandra Shelled; Fighting Near Sukhumi

OW0803111993 Moscow INTERFAX in English 1052 GMT 8 Mar 93

[Following item transmitted via KYODO]

[Text] Georgian formations shelled the city of Novyy Afon and the village of Gvandra in Abkhazia on the evening of 7 March using Grad multiple rocket launchers. The Abkhazian defense ministry reports casualties among the noncombatant population, but did not specify as to their number.

In the last 24 hours, there have been various firefights and artillery duels on the front lines between Georgian and Abkhazian forces on the Gumista River near Sukhumi. The situation in the Ochamchira region is also unchanged, with local skirmishes predominating.

Abkhaz Proposal on Release of Labakhua Rejected

AU0803112893 Tbilisi SVOBODNAYA GRUZIYA in Russian 5 Mar 93 p 3

[IPRINDA news agency report under rubric "According to Reports From Correspondents and News Agencies: The Position of the Nonstate Committee for the Exchange of Refugees"]

[Text] **As a correspondent of the IPRINDA news agency has learned, the Abkhaz side has proposed to release 11 passengers from the Georgian seiner "Gagra" in exchange for Zurab Labakhua, deputy chairman of the Abkhaz Council of Ministers, who is in Tbilisi.** In response to this proposal, members of the Nonstate Committee for the Exchange of Prisoners and Hostages in Sukhumi have stated that, if the aforementioned hostages from the Georgian vessel are not released, the Georgian side will halt altogether all negotiations with representatives of Abkhaz formations on the release of persons of interest to them.

Abkhazians: Russians Refuse To Take Part in Attack

OW0703133893 Moscow INTERFAX in English 1316 GMT 7 Mar 93

[Following item transmitted via KYODO]

[Text] Chairman of the Abkhazian Council of Ministers Tamaz Nadareishvili claimed that the situation in the republic remains tense. In the past few days it has been relatively calm, he said in an interview with Interfax, but positional battles are still going on and there are isolated casualties. On Saturday [6 March] Abkhazian artillery deliberately fired on the territory of a bread factory in the city of Sukhumi, which opened only a few days ago. Also deliberately fired upon, according to the head of government, were the Sukhumi heat and power plant and the train station area, where a railway cistern full of gasoline exploded. However, the most troubled days, he said, were March 4-5, when they received reliable information on the preparation of a massive attack on Sukhumi with support from Russian armed forces.

According to the information, Nadareishvili said, up to 300 Russian soldiers were supposed to participate in the storming of the city. However, the operation was thwarted when Russian troops refused to participate in the mission. Abkhazians themselves did not dare to take action.

In response to a question on whether any negotiations were conducted between Shevardnadze and Abkhazians in Gudauta during Shevardnadze's visit to Abkhazia, Nadareishvili said he had no information on the matter. He said unacceptable conditions had made negotiations with Abkhazian leaders impossible. He believes there is no possibility for a dialogue with the Abkhazians, and that the problem can only be resolved through the use of military force.

Gunmen Attack Russian Military Unit Outside Tbilisi

OW0503172093 Moscow INTERFAX in English 1654 GMT 5 Mar 93

[Following item transmitted via KYODO]

[Text] A group of gunmen in Georgian guard uniforms under the command of a colonel attacked a branch of the Russian military base in Tbilisi on the evening of 4 March, Interfax has been told by the press center of the Transcaucasus Group of Russian forces.

The attackers locked unarmed guards up in a duty room, cut off communications, and carried off 15 cars, trailers, and field kitchens in four Ural-type trucks.

The Transcaucasus Group's press center also reported that in the early hours of 5 March, Georgian formations left the vicinity of a Russian communications battalion in the village of Mtskheta. Some of the battalion's property had been stolen.

A blockade of what was formerly the Russian artillery regiment in Tbilisi is continuing into its second day. The regiment's guards have issued an ultimatum to the 30 or so Georgians participating in the blockade to put an end to it within five days. If this is not done, the Russian servicemen "will take the most decisive of measures," reported the press center.

Shevardnadze Overheard on Political 'Circus'

MK0503161593 Moscow NEZAVISIMAYA GAZETA in Russian 5 Mar 93 p 3

[Guga Lolishvili report: "Debate on Relations with Russia Begin. Crime Wave Becomes National Disaster"]

[Text] On 4 March the Georgian parliament was beginning a debate on Georgian-Russian relations. As is known, a decree on the subject proposed by Eduard Shevardnadze and calling for such a debate to begin was published two weeks ago.

On 3 March Shevardnadze unexpectedly decided to fly to Sukhumi. Before his departure the parliamentary chairman said at Tbilisi airport that he intended to find out there the purpose of a recent inspection tour of Abkhazia by Russian Defense Minister Pavel Grachev, since which, in Shevardnadze's opinion, the situation in Abkhazia has again deteriorated. Another reason for Shevardnadze's trip to the conflict zone appears to be his desire to personally test the security of Sukhumi's defenses. The point is that 4 March is the day when Soviet power was established in the Abkhaz Autonomous Republic, and the Tbilisi authorities do not rule out the possibility of surprises from the Abkhaz side, including the long-awaited offensive against the autonomous republic's capital.

The same afternoon the Georgian leader spoke in Sukhumi on local television. Shevardnadze said that he favored the continuation of a political dialogue and the normalization of relations between Georgia and Russia. "The prospects for talks between Russia and Georgia are still good," the Georgian parliament chairman said.

As for the operational situation in the conflict zone, it is unstable. On 3 March a military aircraft was reported over Sukhumi trying to land to launch an attack. Georgian troops prevented the aircraft from performing the maneuver by opening fire from the ground, and it flew away toward the sea. The same day a ship flying the Abkhaz flag appeared near Sukhumi. After the ship was fired on by shore artillery batteries, it made an about-face and made off in the direction of Gudauta. The situation in the Ochamchira sector remains tense, too. The village of Labra, which has changed hands several times in the past few days, is a local hot spot. At present it is controlled by Georgian troops. Meanwhile, a session of the Georgian parliament continues in Tbilisi. The hustle and bustle that has been going on in the past few days at the former Marxism-Leninism Institute building, the seat of Georgia's legislature, proves the aptness of Eduard Shevardnadze's remark: "What a circus!" It was muttered under his breath at a recent meeting and made public only because a microphone on the table in front of the head of state turned out to have been accidentally switched on. In addition, a large-scale police operation continues in Tbilisi as part of a program drawn up by the Georgian Internal Affairs Ministry to bring down a crime rate that amounts to a national disaster. In the first stage of the program the police have been confiscating weapons unlawfully held by the population. According to the Georgian Internal Affairs Ministry press center, last week 55 automatic rifles, 43 pistols, and 34 grenades were confiscated in Tbilisi. A few days ago Tbilisi witnessed another case of hostage-taking by a gang of armed robbers.

On 3 March Azerbaijani Vice Premier Abbas Abbasov visited Tbilisi, where he was received by his Georgian counterpart, Roman Gotsiridze. During the conversation the guest enquired about the situation that has developed in the Georgian seaports which receive goods bound for Azerbaijan. After the reception, Georgian Vice President [as published] Gotsiridze told Georgian radio in an interview that an agreement with Azerbaijan on uninterrupted deliveries of petroleum products to Georgia was particularly important for Georgia.

'Radical' Parliamentarians Demand Russian Troop Withdrawal

OW0603142793 Moscow INTERFAX in English 1401 GMT 6 Mar 93

[Following item transmitted via KYODO]

[Text] On Saturday [6 March] the Georgian parliament opened debates on Russian-Georgian relations. With Eduard Shevardnadze, the Georgian leader, in Abkhazia, the radical parliamentarians demanded an immediate withdrawal of Russian troops from Georgia and a referendum on the matter.

Fighting is going on with artillery duels along the Gumista river frontline and in Ochamchira district, said the Georgian Defense Ministry's press-center to IF [INTERFAX].

The Abkhaz Defense Ministry reports that the Georgians shelled the towns of Eshera and Psyrtskha. The Abkhaz military say that the Georgians are regrouping for a new thrust.

Parliament Puts Off Debate on Ties With Russia

MK0603162793 Moscow NEZAVISIMAYA GAZETA in Russian 6 Mar 93 p 3

[Guga Lolishvili report: "Debate on Russian-Georgian Relations Again Postponed, This Time Because of Shevardnadze's Absence"]

[Text] The parliamentary debate on Russian-Georgian relations scheduled to begin on 4 March were blocked by a number of deputies in whose view it was inadvisable to start such a debate in the absence of Shevardnadze, who is now in Abkhazia. Shevardnadze himself, speaking on Abkhaz television on the eve of the parliamentary session, expressed confidence that the debate would still begin on 4 March. Despite the tough stance taken by parliamentarians who argued against beginning the debate until the head of state returned to Tbilisi, parliamentary speaker Vakhtang Goguadze managed at the end of the day to "push through" a speech by Georgian Foreign Minister Aleksandr Chikvaidze analyzing the current status of Georgian-Russian relations now that three rounds of talks have been completed. Nonetheless, it was decided that the official debate would open on Saturday [5 March].

Chikvaidze said in his address that he believed it necessary that a meeting between Shevardnadze and President Yeltsin be held as soon as possible, noting that, if the two countries' leaders fail to personally discuss the problems that have piled up, Russian-Georgian relations will drastically deteriorate. The foreign minister added in an interview for NEZAVISIMAYA GAZETA that, in his view, Shevardnadze should meet not only with the Russian president, but also with the Russian parliament chairman and, possibly, with the Russian defense minister. Chikvaidze said also that currently Russia, despite everything, was the most realistic partner for Georgia, which has so far not been prepared to cooperate with the West, just as the West has not been prepared to cooperate with Georgia.

On the same day the parliament decided to disavow a communique on the results of the visit to Georgia by Russian Vice Premier Sergey Shakhray and Ramazan Abdulatipov, chairman of the Russian Soviet of Nationalities. The Georgian parliament charged Foreign Minister Chikvaidze with the task of advising the Russian side of this decision. The legislature's negative assessment of the communique, signed, as it turned out, without the head of state's knowledge, was due to the document's provision whereby the Moscow agreements of 3 September are viewed as the basis for settling the Georgian-Abkhaz conflict "taking into account new realities." It was the end of the sentence that caused dissatisfaction among the Georgian parliamentarians, which finally led to the rejection of the entire communique.

At the 4 March parliamentary meeting it was decided to introduce military rule in Abkhazia's Galskiy and Gulripshskiy Districts. Aleksandr Kavsadze, chairman of the committee for inter-ethnic relations and human rights, said in a conversation with NEZAVISIMAYA GAZETA: "This decision was caused by an objective need. Its adoption resulted from, first, the heightening of tensions in the conflict zone in general and, second, from an active propaganda campaign launched from Gudauta with the purpose of spreading panic among the population living in areas controlled by Georgian government troops." According to Kavsadze, the introduction of military rule will make it possible to avoid such consequences.

At the meeting, that was to prove one of the most fruitful since the parliament was elected in terms of the number of decisions made, a representative of the Republic of Georgia in the United States and at the United Nations was appointed. He is Petr Chkheidze, until recently Georgian ambassador extraordinary and plenipotentiary in Russia.

During a pause in the meeting, Chkheidze gave an interview to NEZAVISIMAYA GAZETA, saying that at present Georgia's main task on the international stage was to search for reliable partners. "There are many strong states. We should cooperate with those who can give more to Georgia, who are willing to respect Georgia's sovereignty and to strive for mutual cooperation." According to Chkheidze, this does not mean begging for handouts: "That is what proved Georgia's undoing—it always received more than it produced. This is why we do not have specialists who are strong in finance, economics, and so forth."

During the discussion of the internal political situation in Georgia, the opinion was voiced at the parliamentary meeting that parliament should go and sit in Sukhumi. However, the majority in parliament did not support the idea. It was decided that deputies wishing to go to Sukhumi on a fact-finding mission should do it individually on their own initiative.

Delegation Travels to Moscow To Continue Talks

AU0803101193 Tbilisi Radio Tbilisi Network in Georgian 0800 GMT 8 Mar 93

[Text] Today, a Republic of Georgia Government delegation is traveling to Moscow to participate in the fourth round of negotiations between Georgia and Russia. The delegation is led by Batoni [Georgian polite form of address] Mikhail Ukleba, Republic of Georgia first deputy minister of foreign affairs.

Criminal 'Outrages' on Armenian Border Threaten Relations

AU0803122893 Tbilisi SVOBODNAYA GRUZIYA in Russian 5 Mar 93 p 3

[IPRINDA news agency report under rubric "According to Reports From Correspondents and Information Agencies": "Perhaps an Oath Will Help?"]

[Text] As a correspondent from the IPRINDA news agency reports, the situation in Dmanisskiy Rayon, which borders on Armenia, has recently become acute. A large, well-armed band of 150-200 persons (mainly refugees from Svanetiya [a mountainous region located in the northwest of Georgia]) are terrorizing both the local inhabitants and citizens of the neighboring republic. In connection with this, Armenian law enforcement agencies have repeatedly expressed their concern to their Georgian counterparts. Armenia's mass media are accusing the government in Tbilisi of total impotence and inertia in the struggle against criminal elements who are committing outrages in this region, which is fraught with wholly real complications in Georgian-Armenian relations. As has become known, a meeting was held the other day between representatives of the Georgian and Armenian ministries of internal affairs and local inhabitants of the rayon that borders with Armenia. Members of the bandit formation were also present at the meeting and they swore an oath, according to the Svanetiyan custom, that they would not continue to commit robberies and thefts.

Estonia

Russia Proposes Tartu Peace Treaty Be Modified

LD0503124193 Tallinn Radio Tallinn Network in Estonian 1800 GMT 4 Mar 93

[Text] Another round of Estonian-Russian talks ended today at Lohusalu. A news conference was given as it ended. Hillar Nahkmann will comment on it.

[Nahkmann] At the beginning of the news conference the leaders of both delegations called the talks which ended today successful, and yet difficult. Later both Vasiliy Svirin and Juri Luik had to acknowledge the fact that the talks have come to a standstill. Yes, two agreements were signed today at Lohusalu. They are on scientific and technical cooperation and on the so-called illegals. The latter has to do with information exchanged on individuals who have arrived illegally either in Estonia or Russia and the procedure for their possible expulsion.

Both Mr. Luik and Mr. Svirin stated that the signing of any kind of agreements is a positive fact because it provides hope that the contacts between the countries will strengthen and improve. Unfortunately, [words indistinct] relating to the Russian troop withdrawal. According to Minister Luik the matters are bogged down by the Russian side's reluctance to agree to the Estonian proposal to have the troops withdrawn from Estonia by the summer of this year. According to Svirin such a demand from the Estonian side constitutes a breach of previous agreements. For this reason he viewed the work of the troop withdrawal commission on this occasion as a step backwards.

Mr. Luik viewed the Russian side's position as setting their interests above the interests of Estonia. To improve the situation on this issue, Luik and Vasily Svirin will be meeting before the next round of talks begins [words indistinct].

On a positive note, Russia has agreed in principle to allow observers of the International Atomic Energy Agency to Paldiski. However, this was agreed previously and then the agreement was broken again.

The leadership of Pskov Oblast will allow a delegation from Estonia to go to the Pskov and Pechery areas, to check up on human rights.

Major problems continue to exist, however, with the free-trade agreement, which would enable Estonia to compete in the Russian market. If an agreement of this kind is concluded Estonia would become the first country in the world to have concluded an agreement of this kind with Russia. Unfortunately it seems at present that Russia no longer wants to conclude such an agreement with us. The main reason given by Vasily Svirin was the fact that the relations between the two countries are currently so complex that free-trade relations cannot in any way be introduced.

At the end of the news conference excitement was caused in the hall as the leader of the Russian delegation proposed that Tartu Peace Treaty should be modernized inasmuch as 19 points out of the 20 no longer meet the present political situation between the countries. To Minister Luik this proposal came as a complete surprise: in the course of the talks the Russian side had never proposed such a move. In Mr. Luik's opinion one should not discard an agreement because of its age. In our delegation leader's opinion hidden between this statement is a wish to legalize in some way [words indistinct] the events of 1939 and 1940 in Estonia.

Mr. Svirin could not react to this claim in any other way but to say that the Tartu Peace Treaty has in fact already been modified. In his opinion this took place on 12 January 1991 [reference to agreement with Russian President Yeltsin]. In the future the Russian side will proceed at the talks from this agreement, Mr. Svirin stated in conclusion.

Russian Assembly Urges Representation in Legislature

WS0803105593 Tallinn BNS in English 1900 GMT 5 Mar 93

[Text] Tallinn, Mar 05, BNS—Tiit Pruuli, advisor to the Estonian prime minister, Indrek Kannik, deputy chairman of the Pro Patria faction in the parliament, and Pro Patria Secretary-General Ivo Rull today met representatives of the assembly of the country's Russian-speaking population.

The representatives of the Russian assembly at the meeting said that the assembly and factions in the parliament must start a dialogue, the Pro Patria press office told BNS.

The assembly members said they cannot regard as acceptable a situation when the Russian-speaking population is not represented in the country's parliament. "But we have no intention to turn the assembly into a parallel structure of legislative power. We are going to work strictly within the Constitutional framework," said Nikolay Yugantsev, the chairman of the assembly's presidium.

The Pro Patria representatives after the meeting said the dialogue should be continued.

Umbrella Group for Ethnic Russians To Be Set Up

WS0803115093 Tallinn BNS in English 1922 GMT 6 Mar 93

[Text] Narva, Estonia, Mar 06, BNS—An umbrella organization for the town's Russian community is planned to be set up in Narva.

Gennadiy Filipov, the chairman of a committee for the protection of human rights in Narva, said the new body would be formed along the lines of the Russian assembly, established in Tallinn a few weeks ago, but it is to limit its actions to Narva and represent the interests of all Russians living in the town. Filipov said the new organization should also prepare actions for protecting the human rights of the ethnic Russians in Narva.

A meeting of the organizations of Narva's Russian community took place on Friday [5 March] evening. Out of the invited 8 organizations, only the representatives of the Narva Union of Russian Citizens, the Committee for the Protection of Human Rights, the Unemployed Union and the Veteran's Union attended.

Foreign Minister Comments on Relations With UK

LD0503130193 Tallinn Radio Tallinn Network in Estonian 1800 GMT 4 Mar 93

[Report by correspondent Peeter Kaldre on news conference by Foreign Minister Trivimi Velliste, "on his return from an official visit to Britain" on 4 March; place not given]

[Excerpts] [Kaldre] [passage omitted] The main talks were held with his British colleague, Douglas Hurd, and the second man at the Foreign Office, Douglas Hogg. The talks were highlighted by the general political situation in Europe, Estonian-Russian relations, and primarily, the Russian troop withdrawal from Estonia and the progress of the Estonian economic reform.

One specific agreement was also concluded, namely, on cooperation in aviation, which will create preconditions for the opening of an air route between Estonia and Britain.

Naturally, there was also talk of British assistance to Estonia.

[Begin Velliste recording] It became clear that one can expect the bulk of the British assistance to come in the sphere of training in various fields. Specifically, with the Know-How Fund, there was talk of training the staff of our own information service at the Foreign Ministry. Our own information service must become more effective, and we said that we would very much like to receive assistance in this area, and a promise was made to think about this specifically.

There was talk of training border guards, the police, and also training the military, but that in principle, without concluding any binding agreements. [passage omitted]

I would put it so: that if we generalize this issue about the Russians, then I think that Estonia has on the whole won the battle, albeit many people implied at one point that Estonia is likely to go under and that we will not be able to cope. I am quite sure that we have quite definitely won this battle at all governmental levels, at official levels; and even with the press the situation, in my opinion, is better than a draw. A definite proof of this is that all British officials I met stated unanimously that they all fully and unconditionally support Estonia becoming a member of the Council of Europe this year, and nobody doubted that Estonia would become a member this year. [end recording] [passage omitted]

IAEA Support Sought in Dismantling Reactors

WS0803115593 Tallinn BNS in English 1924 GMT 6 Mar 93

[Text] Tallinn, Mar 06, BNS—Juri Liim, leader of the working group on the Paldiski navy base, thinks that, against a backdrop of stalled negotiations on withdrawal of Russian troops of Estonia, the possibility of using the services of IAEA engineers in dismantling two military reactors here, one of which is of the latest design, as a partial success.

The Russian negotiators have until now flatly rejected the very idea of foreign help because they wanted to preserve secrecy of that reactor. But at the ninth round of Estonian-Russian negotiations, Liim notes, although they did not express consent, the Russians did not protest, either.

What is important is the status of the IAEA engineers to which the Russian negotiators would agree; observers or direct participants of the dismantling operation, said the leader of the working group which was set up during the ninth round.

Estonia would prefer the latter option because, although Russia has expressed readiness to send its best men for the job, they did not have the necessary knowledge and expertise, Liim thinks. The most important stage is the removal and transportation of the rods. At the transportation stage the slightest negligence or acts of terror may cause irreparable damage of a disastrous scale. This is why IAEA aid will be invaluable, Liim emphasized.

Centrist Party Demands Government Amend Policies

OW0703161893 Moscow BALTFAX in English 1542 GMT 7 Mar 93

[Following item transmitted via KYODO]

[Text] In Estonia the People's Centrist Party led by Edgar Savisaar has demanded that the government amend its policy fundamentally. In an open letter published on Saturday [6 March] the party's leadership urged the cabinet to adopt a policy that "would protect Estonia's national interests and ensure people's confidence for it." The party confirmed that it belongs to the opposition.

The document issued by the party's leadership says that the Mart Laar government "has no serious program of actions," and that "the governing coalition has a very small potential of cooperation." According to the party, the government's actions "are detrimental to Estonia's national interests in the economy, defence and security."

Government Adopts Regulations on Privatization

WS0803122593 Tallinn BALTIC BUSINESS WEEKLY in English 1954 GMT 7 Mar 93

[Text] 7 March 1993—The Estonian government adopted a ruling on the procedure of privatization of large enterprises. The document can also be regarded as "operational regulations" for the Estonian Privatization Agency (EPA), officials say.

Companies to be sold into private hands in Estonia belong to the large privatization class if the value of their fixed assets exceeds 600,000 kroons (USD [U.S. dollars] 46,000). EPA last year announced the first bids competition under the scheme and started negotiations for selling 35 large companies (out of 38 offered for sale).

Under the procedure of the large privatization, the organizer of the privatization (in this case EPA) will give detailed information about the property to be sold and announce a bidding.

The bidders who have submitted their application in due time are allowed to preliminary negotiations, where the rules and additional conditions of the bids competition are explained.

After the preliminary negotiations, each bidder will hand in its bid for the purchase price and all additional conditions in written form. The board of the Department for State Property or the EPA board will then choose the best bid, on the basis of which the starting price and the level of additional conditions will be set for the auction.

All potential buyers will be informed about the contents of the best bid. Then the potential buyers will have the right to submit a written statement on agreeing to the additional conditions and the purchase price.

The property will be sold to the person who makes the highest bid in the auction. The results of the bids competition will be confirmed by the EPA board or the board of the Department for State Property.

[Words indistinct] within ten days after signing of the sales agreement.

Latvia

Gorbunovs Urges Clinton Not To Close Radio Stations

LD0503211793 Riga Radio Riga Network in Latvian 1800 GMT 5 Mar 93

[Text] The chairman of the Supreme Council, Anatolijs Gorbunovs, has sent a letter to U.S. President Bill Clinton asking him not to close Radio Free Europe and Radio Liberty. Anxiety is expressed in the letter over the plan announced by Clinton to close the aforementioned radio stations in 1995, and hope is expressed that the U.S. Administration will still find resources to continue financing the operation of both radio stations. The appeal is substantiated by the fact that broadcasts by Radio Free Europe and Radio Liberty have been a significant force in the process of gaining independence and the restoration of democracy, and the rebirth of democracy in Latvia is not yet completed.

Seven Political Organizations Register With Ministry

WS0803121193 Tallinn BNS in English 1840 GMT 5 Mar 93

[Text] Riga, 5 March 1993, BNS—Seven political organizations have registered so far with the Latvian Ministry of Justice.

Registered organizations are: National Association Tevzeme (Fatherland), Latvian National Independence Movement, 18th November Union, Latvian Popular Front, Farmers' Union, Daugavas Vanagi (Hawks of the Daugava) and the Union of Christian Democrats.

The information was provided by department head Maris Krumins on Friday [5 March].

Group Draws Up List of Russian Parliamentary Candidates

OW0503210093 Moscow BALTFAX in English 1853 GMT 5 Mar 93

[Following item transmitted via KYODO]

[Text] A Russian list of parliamentary candidates is being drawn up in Latvia, the leaders of the Latvian Constitutional Party and the Center for Democratic Initiative told a news conference in Riga on Friday [5 March]. Constitutional Party leader Andrey Vorontsov told IF [INTERFAX] that there was a possibility of making up one list with other organizations, who are after the votes of the Russian electorate.

The brain-fathers of the "Russian list" emphasized its ethnic orientation. They also said they counted on the support of Orthodox Christians. "Russian ticket" candidates elected to the Latvian parliament will press for a new Constitution that would declare Latvia as a bi-ethnic state.

The politicians of that trend are for the early withdrawal of the Russian army. The speakers at the news conference, Latvian Constitutional Party chairman A. Vorontsov and co-chairmen of the Center for Democratic Initiative Mikhail Gavrilov and Oleg Vovk said that there would be 15 parliamentary candidates. None of them is known to the general public, but that is unimportant, because the people will cast their votes for platforms, not personalities.

Consular Convention Drafted With Russian Foreign Ministry

WS0803120193 Tallinn BNS in English 1629 GMT 5 Mar 93

[Text] Riga, 5 March 1993, BNS—Delegations from the Russian and Latvian foreign ministries met in Riga March 3-4 to discuss consular matters and visa regulations.

The two parties drafted a consular convention that establishes a legal basis for consulate activities. Latvia plans to open consulates in St. Petersburg and in Pskov, and Russia will open consulates in Daugavpils and Liepaja.

The text of the agreement will be signed at the next round of interstate negotiations March 17 in Moscow. They will then be sent for ratification by the two states' parliaments.

Representatives from both countries said they thought the talks were constructive. The Russian delegation was led by Mikhail Timoshkin, first deputy director of the Foreign Ministry's consular service. Eriks Flaumanis, director of the Foreign Ministry's consular department, led the Latvian group.

Latvian delegates also told Russia about a new resolution on entry visas and border controls, put forward Feb. 19. The Russian delegation mentioned the possibility of similar measures being taken toward Latvia.

The parties discussed various possibilities for privileges in the conditions for visa procedures. Russia suggested granting cost free visas to citizens of the two countries who are going to visit the graves of family members or close friends.

The Russian delegation also proposed a memorandum for visa free travel for persons holding service and diplomatic passports.

Skrastins, Stepankov Cited on Parfenov Extradition

PM0803132193 Moscow ROSSIYSKIYE VESTI in Russian 6 Mar 93 p 1

[Sergey Kakhranin report: "Jail Terms at Home. Russia's and Latvia's General Prosecutors Sign Interstate Treaty in Moscow"]

[Text] This document applies to people who, being citizens of the one state, have broken the laws in the other but wish to serve the sentence passed by the court in their own motherland. They can do this now that the treaty has been signed. The Prosecutor's Offices of both countries have already prepared lists of people wishing to take advantage of it.

Speaking of the future of Sergey Parfenov, former deputy commander of Riga's OMON [special purpose militia detachment], Russia's General Prosecutor Valentin Stepankov noted in an interview with ROSSIYSKIYE VESTI's correspondent:

"While my Latvian counterpart is in Moscow, I will hand over to him the necessary documents confirming that Parfenov does indeed wish to serve his sentence in the Russian Federation, thus leaving only technical aspects of his transportation to be resolved. I think that all this will take less than a month. Moreover, we do not in any way link the 'Parfenov problem' with the fate of any other former members of Riga's OMON. True enough, a special request by the Latvian Prosecutor's Office is still pending regarding the interrogation of Mlynnik, who was the detachment's commander. This interrogation will take place and the relevant protocol will be sent to Riga."

In his turn, Latvia's General Prosecutor Janis Skrastins, replying to the ROSSIYSKIYE VESTI correspondent's question, did not specify even an approximate time for Parfenov's extradition to Russia's law enforcement organs, and emphasized that the interstate treaty signed in Moscow applies not only to the former OMON member but also to other persons who have been sentenced and have been serving their sentences in the republic's jails for much longer.

Country's State Grain Office Begins Operation

WS0803105193 Riga LETA in English 0921 GMT 5 Mar 93

[Text] Riga, March 5 (LETA)—Latvian State Grain Office has started operating. It is non-profit organization managed by the board and the management appointed by the board. The office will be under supervision of the Agricultural Ministry. It is expected to deal mainly with the regulation of inner and foreign grain market.

Latvian State Grain Office will make estimates about the required amount of grain for respective period of time and possibilities to ensure this amount from local grain production. The office will study price formation. It is also aimed at creation of a stable state reserve fund of grain.

Lithuania

Presidential Consultative Council Established

LD0603131493 Vilnius Radio Vilnius in English 2000 GMT 5 Mar 93

[Text] A consultative meeting of six leftist and rightist political parties and movements was held today at the residence of President Algirdas Brazauskas. The politicians considered the possibilities of setting up a consultative council of the president and exchanged opinions on functions of such a council, principles of its activity, and of passing decisions.

President Algirdas Brazauskas said that consultations in such a council should be aimed at understanding one another and at seeking decisions acceptable to all. It was agreed at the meeting that the country's most urgent problems should be put forth for discussion at the political consultative council. Meetings of the council are to be held on a regular basis, called by the president, or on the initiative of political leaders at intervals not bigger than one month.

Today's consultative meeting also dealt with some aspects of Lithuania's foreign policy. On certain points the discussion revealed a slight rapprochement of various political forces.

LDLP Leader Denies Report on Party Split

WS0503143493 Vilnius ELTA NEWS BULLETIN in English 1232 GMT 5 Mar 93

[From ELTA "NEWS BULLETIN" No. 199]

[Text] 5 March 1993—Provisional LDLP [Lithuanian Democratic Labor Party] Chairman Gediminas Kirkilas today denied in "Tiesa" information in 4 March "Lietuvos Rytas" on a split in the party. "Lietuvos Rytas" announced that two of this party's and the Seimas' members are preparing to form a new—more left-wing party. "There is no split", says Gediminas Kirkilas. I have not heard that either in the regions or in the cities there would be support for this type of party, said the new LDLP leader. He also writes: to my understanding, V. Lukosevicius and A. Visockas, to put it lightly, strangely perceive their responsibilities. They can, if they want, establish a new party,—there are many of them in Lithuania, and one more or less will not make a difference. However, their leftist radicalism will definitely not push us into any illegal actions, resumed G. Kirkilas.

Air Force To Begin Defense of Nation's Airspace

WS0803105793 Tallinn BNS in English 1902 GMT 5 Mar 93

[Text] Vilnius, Mar 05, BNS—The first jet planes of Lithuanian Air Force begin defending the country's airspace within a month.

Lithuanian airspace will be defended by four 1978 [words indistinct] planes are usually used for training purposes, but they are capable of carrying out missions, as well. The L-39's are equipped with a small-caliber cannon and several non-guided missiles. Sources say the jets are used by at least 16 countries.

The Lithuanian Ministry of Defense purchased the L-39's from a former Soviet training center in Kyrgyzstan for USD [U.S. dollars] 84,000 each. A new plane costs about USD 175,000.

Ten crews for these planes are currently trained in Lithuania, daily RESPUBLIKA said.

Military Opposes Use of Airfield as Free Economic Zone

MK0503162593 Moscow NEZAVISIMAYA GAZETA in Russian 5 Mar 93 p 2

[NEGA report: "'Shuttles' Can Land Here"]

[Text] Under a Lithuanian Government decision the airfield in Zuoknaj, equipped with what is the latest word in technology, and capable of landing aircraft of any weight and size, including spacecraft of the Buran and Shuttle type, is to be turned over to the city government of Saulaj for the establishment of a free economic zone there. The Lithuanian Ministry of National Defense, however, disagrees with this decision. Minister of Naitonal Defense Audrius Butkievicius thinks that this installation should be used for purely military purposes. However, should the government decision on the Zuoknaj airfield be revised, the Lithuanian National Defense Ministry is prepared to use it jointly with the republic's civilian organizations.

Details Given on First 6 Free Economic Zones

WS0803121593 Tallinn BALTIC BUSINESS WEEKLY in English 1959 GMT 7 Mar 93

[Text] 7 March 1993—Lithuania will set up its first six economic zones of free enterprise in the territories of the former Kaunas, Siauliai and Kedainiai military and civil airports, as well as of the Kaunas scientific technological park, the Northern Town former Russian military base in Vilnius and in Klaipeda.

Under a resolution passed by the Lithuanian Government last week, which regulates creation, activities and registration of a free economic zone, as well as its status, a free economic zone is entitled to production, foreign economic operations, scientific research, and banking and crediting activities. The resolution also establishes the procedure for entry to and exit from the zone, scope of authorities of its manager, etc.

Likely to be approved within next months, the customs, tax and other benefits—to be defined by laws on tariffs, customs duties and free economic zones, will involve exemption of taxes for imports and exports, as well as three to five-year-long tax benefits for foreign investors. It also provides for a 50-percent tax break over the entire period of the zone's operation.

In Lithuania, there are two types of a free economic zone—for production and foreign trade activities (in Klaipeda and the airports) and scientific-technological parks (in Kaunas).

Below is a brief description of the first six zones, currently under study.

The Lithuanian capital, Vilnius, still has no economic development draft completed. The former military camp has 66 hectares of land with about 270 vacant buildings. Its co-called plan of combined economic, social, and urban development is to be finalized within two years. However, officials still fail to define the zone's space. To date, there are several local and foreign firms to have filed applications for lease of the vacant buildings.

In Kaunas, the first economic zone—Technopark—is set up with the recently established Lithuanian-American JV Nova (500,000 rubles in statutory capital as of its registration in November 1991). The JV co-owners are the American firm Centric Co., Inc. (28 percent of stock), the self-governments of Kaunas and the Kaunas region (10 percent each), the joint stock companies Irdava and Veluva (15 percent each), as well as several scientific and educational establishments.

The zone will cover 255 hectares of land currently barren.

The park will offer consultancy, information, and other services, and will also deal with production and sale of electronic and measurement instruments, household and electronics equipment, housing and industrial construction and foreign economic activities. Initially, the zone will have a scientific-industrial area for small-size firms to be added later with a computer center, banks, financial offices, insurance companies, services, shops, restaurants, hotels, etc.

The park hopes to attract foreign capital via its network currently linking to 70 similar parks worldwide.

Kaunas' second free economic zone is being set up with the civil aviation airport, 15 km away from the city.

The zone will engage in international cargo and passenger traffic and cargo storage. Interest in investing the project was signalled by the German concern RWE, which unveiled its plans to build a passenger terminal and a snack bar along with modernization of runways and air traffic control systems.

The names of other investors, apart from the Lithuanian airline Lietuva, are still kept secret.

In Klaipeda, the 100-hectare economic zone will be set up in the territory of the city to include the trade port.

The first stage of construction works will be conducted by the municipal authorities and V. Paulius & Association of the U.S. to involve initially foreign economic operations and later—production of consumer goods.

Also under initial plans is construction of railways and roads and of storage facilities of 400-500 meters.

Interest in investing into the zone has already been signalled by Philip Morris, Ford, Volkswagen and some other foreign companies.

The Kedainiai free economic zone will cover 535 hectares of land of former military airport to be turned to civil use by May 1. It will deal primarily with cargo transportation, mainly on transit from Russia to Scandinavia.

Among the possible investors are TAFFO of Sweden, which runs regular routes from Vilnius to Stockholm, and several Russian airlines and Lithuanian private firms.

To back the airport's operations, 16 planes are to be acquired—most likely Russian-made Il-76s (approximated at 1.5 billion coupons a unit).

In Siauliai, the free economic zone will cover 1/7 of the city's territory—Baltics' largest military airport with two runaways of 3.5 km in length each and 46 and 80 meters in width. The strips make 70-80 percent of the airport's total capital and are capable of big planes, including Buran-type ones.

To become military-free in May-June this year, the zone also has some 100 different buildings, including 60 hangars, a major plant to repair planes and produce electronics assemblies (1,200 employee), barracks, construction facility, hotel, fuel tanks, etc.

Interest into the zone is taken by a variety of foreign firms, including two American ones, and Russian and Lithuanian firms, either, with no details made public still.

It is expected that an international bid for development of the free zone will be announced.

Government Warns of 50-Percent Increase in Real Prices

OW0503194993 Moscow BALTFAX in English 1704 GMT 5 Mar 93

[Following item transmitted via KYODO]

[Text] Real prices, in particular for food, will rise 50 percent in the coming weeks in Lithuania, said Filomena Jaseviciene, director of the Lithuanian Economics Ministry's prices and competition department, at a press-conference in the Lithuanian Seimas Friday [5 March]. She noted that wholesale prices of farm produce will be the first to rise, leading to an increase of retail prices.

Seimas deputy committee chairman Vytautas Zimnickas attributed the inflation to a growth of prices for energy, disrupted payments settlements and a decline in industrial and agricultural production.

According to Jaseviciene, the decline hit agricultural production the hardest. In February farm production dropped to 46 percent of last year's level, and in March production is expected to drop another 16 percent. According to Jaseviciene, the only answer to the situation is to introduce a national currency, the litas, because "so many coupons (quasi-money) are being printed you can't even count them."

Energy Minister on Situation, Prospects, Prices

WS0803101593 Vilnius POZICIJA in Lithuanian 11-17 Feb 93 No. 6 p 2

[Interview with Energy Minister Leonas Asmantas by newspaper correspondent Tadas Vytaras; place and date not given: "Brrr, It Is Cold...."]

[Text] [Vytaras] If you do not mind, let us recall our conversation that was published in POZICIJA issue of 8-14 November 1991. We were optimists then. And now?

[Asmantas] I may have been an optimist, but my optimism was based on the arguments of that time. Let us not forget that we were talking about the winter of 1991-1992 in the fall of 1991. My optimism was justified for that period. I do not think that anyone froze or was short of something them. The optimism of the previous winter is unsuitable this year. Moreover, the situation in Lithuania has changed considerably.

[Vytaras] Last year lines appeared at gas stations. We said that we would have to pay for oil hundredfold.

[Asmantas] I was not wrong in saying that prices for energy products would rise sharply. Let me give you some figures. Since January 1992, prices for gas and oil have increased 78 and 98 times respectively. We spoke in late fall, when prices were increasing every month. Oil prices have increased 100 times.

I was no prophet when I said this a year ago. This was clear to energy specialists. We knew world prices and felt what awaited us. Russia adopted some unilateral decisions regardless of our needs. However, Lithuania could change nothing.

[Vytaras] You comforted us then—please, do not worry, you will not freeze.

[Asmantas] I can only remind you about my previous words. We were speaking about the winter of 1991-1992, and it was too difficult to predict what would happen in a year. The restrictions on the consumption of energy products were introduced only this winter. They stem not from the shortage of fuel but from the lack of money that we must pay for imported fuel. Unfortunately, the main reason is the shortage of finances.... The more so that consumers owe our system more than 21 billion talonas. We were forced to take credits and run into debts. We are getting gas on credit even now. Thus, our debts are constantly growing.

[Vytaras] What is the outcome? "Brrr, it is cold, the rye is unground...." [words from nursery rhyme]

[Asmantas] I remember saying then that if the attitude toward energetics does not change, anything may happen. Unfortunately, the attitude has not changed....

I had some personal problems in fighting Mr. G. Vagnorius. It is very strange that recently ex-Prime Minister Mr. A. Abisala has announced ungrounded allegations in one television program. We seem to have understood each other earlier. There is no need to repeat that the state must accumulate a fuel reserve by allotting some finances from the budget. Unfortunately, we received 361 million talonai and spent about 1.5 billion. We had to use the money from enterprises and to take bank loans. The state so far has not paid us.

We have proposed more than once to sell airplane fuel, diesel fuel, and gas to foreign countries so that we can accumulate hard currency for purchasing black oil. Mr. G. Vagnorius' government was against this.... The state enterprise "Lietuvos kuras" had a number of agreements for buying black oil. However, it could not do this because the consumers did not pay.

With regard to the Lithuanian power station, I can tell you the following. It must have fuel reserves and must be prepared to work at full capacity at any time. We may have such a critical situation when the Ignalina nuclear plant will have to be temporarily closed down. Then all blocks of the Elektrenai station should begin working immediately.

We made great efforts to fill 90 percent of the reservoirs at the Lithuanian power station with black oil in August.

[Vytaras] Judging by our readers' letters, some of them suppose that you are to blame for all this. I think that they are wrong.

[Asmantas] The search for "scapegoats" is very popular. The easiest thing is to lay all the blame on the minister.

The accusers should remember whether they pay for electricity, heating, and gas in time. If there are some debtors among them, they should not blame others. Only 30 percent of inhabitants, however, pay the fees in time.

[Vytaras] Could you tell us briefly about our energy potential—the Mazeikiai oil refinery and the oil terminal? What will be done there and how?

[Asmantas] I suppose that our energy potential is quite promising. We have a surplus of electric power and oil refining facilities. The current situation in industry is complicated; that is why the demand for electricity has decreased. The refinery has been idling for some time (oil supplies were cut on 29 July 1992). By the way, the company "Foster Wheeler" is preparing a project for its restructuring. However, we are not short of fuel. I had to prove to ex-minister A. Simenas several times what are the best ways for organizing this industry by supporting state enterprises and promoting businessmen.

We have been talking about the terminal for two years already. This discussion sometimes acquires a political coloring. Talks and conflicts, however, can do nothing.

The preliminary analysis is over and it is being discussed by energy and other specialists. I can only tell you that the final decision concerning the site must be adopted in February and announced to designers. Otherwise, all the work that has been done will become useless.

If "discussions" about road sites were the same as the debate about the terminal, we would hardly be able to find a suitable place for a road in Lithuania.... Foreign countries resolve this problem in a different way because they have their respective laws. Their decisions are beneficial to the state if strategic interests are involved. For example, the United States has the "Famous Estate Law." According to this law, the owner can only demand an evaluation of the site but he cannot ban the construction. To this end, three companies are chosen (two by the state and one by the owner who must also cover the costs). These companies inspect the site thoroughly and assess its value. The owner is paid the average value. This is how things are in democratic countries. Is it not the time to follow their example?

[Vytaras] Thank you for your responses.

Polish Ambassador: Warsaw Seeks No Territorial Claims

OW0703161593 Moscow BALTFAX in English 1543 GMT 7 Mar 93

[Following item transmitted via KYODO]

[Text] The Polish Foreign Ministry has confirmed a statement by its Ambassador to Vilnius, Jan Widacki, who said that Poland has neither overt nor covert territorial claims to Lithuania, said Lithuanian radio on Sunday [7 March].

In this way Warsaw reacted to a statement by Lithuania's former Deputy Premier, Romualdas Ozolas, who said a few days ago that Poland has covert territorial claims to Lithuania. Ozolas based his conclusion on the fact that "Poland supports some of the demands advanced by ethnic Poles living in Lithuania."

There is no truth in the statement of Lithuania's former deputy premier, the Polish ambassador declared. Poland, he stressed, has no territorial claims to any country, and one of the fundamental principles of its foreign policy is inviolability of borders.

Seimas Delegation Departs for Germany 7 Mar

OW0703161793 Moscow BALTFAX in English 1542 GMT 7 Mar 93

[Following item transmitted via KYODO]

[Text] A delegation of Lithuanian MPs [members of the Seimas] led by the Speaker, Ceslovas Jursenas, left for Berlin on Sunday [7 March]. The main goal of its visit is to further cooperation between the parliaments of Lithuania and Germany. The program of the visit includes meetings with Speaker Rita Sussmuth, President Richard von Weizsaecker and other German leaders. Besides, Lithuanian MPs will visit the spring fair in Leipzig, where, for the first time ever, there will be a festival of Baltic states.